

Section-D

Note: Long answer questions. Attempt any two question out of three Questions. (2x8=16)

- Q.23 What are short-term sources of finance? Explain in detail various short-term sources of finance.
- Q.24 What is a dividend policy? Explain various types of dividend policies.
- Q.25 What do you mean by cost of capital? What are some factors that affect cost of capital?

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5th Sem./ Finance, Accounts & Auditing Subject : Financial Management

Time : 3 Hrs.

M.M. : 60

SECTION-A

Note: Multiple Choice Questions. All Questions are compulsory. (6x1=6)

- Q.1 Which of these is/are financial decisions?
- a) Investment Decisions b) Financing decisions
c) Dividend decisions d) All of the above
- Q.2 The percentage of profits that is reinvested in business is called:
- a) Retention Ratio b) Pay out Ratio
c) Current Ratio d) None of the above
- Q.3 Which of these is a long-term source of finance:
- a) Commercial papers b) Bank overdraft
c) Equity shares d) All of the above
- Q.4 What is the full form of NPV?
- a) Net past value b) Net Present value
c) Net potential value d) None of the above

- Q.5 Which of these factors affect dividend policy of a firm?
- Cash flow position
 - Profitability position
 - Future requirements of finance in business
 - All of the above
- Q.6 Which of these points highlight the features of financial management:
- It is a continuous process
 - It is a goal-oriented process
 - It is needed in all types of organization
 - All of the above

Section-B

Note: Objective/Completion type questions. All questions are compulsory. (6x1=6)

- Q.7 In _____, we decide how much profits should be distributed to shareholders and how much should be reinvested into business. (Investment decisions / Dividend decisions)
- Q.8 The amount of profit that is distributed to shareholders is called _____ (Retained earnings / Dividend)
- Q.9 At IRR (Internal Rate of return), Present value of cash inflows and present value of cash outflows are equal. (True/False)

- Q.10 Equity shares are short-term source of finance. (True/False)
- Q.11 Dividend on preference shares is paid at fixed rate. (True/False)
- Q.12 _____ are the owners of company. (Creditors / shareholders)

Section-C

Note: Short answer type Question. Attempt any eight questions out of Ten Questions. (8x4=32)

- Q.13 Write a short note on long-term sources of finance.
- Q.14 Write a note on cash dividend and stock dividend.
- Q.15 Briefly explain any one method of capital budgeting.
- Q.16 Write a short note on scope of financial management.
- Q.17 What do you mean by compound value and present value?
- Q.18 Highlight the factors that influence capital structure decisions for a company.
- Q.19 Why capital budgeting decisions are important?
- Q.20 What are the main determinants of dividend policy?
- Q.21 Write a short note on irrelevance of dividend decisions.
- Q.22 What are the main functions of financial management?