

- Q.24 Write down the main objectives of Time value of money.
- Q.25 Explain the meaning and importance of solvency ratios.
- Q.26 State the objectives of Ratio analysis.
- Q.27 Write down the importance of fund flow statement.
- Q.28 State the objectives of Cash flow statement.
- Q.29 Profit maximization is a better criterion than wealth maximization comment.
- Q.30 Make a comparison with NPU and IRR methods.
- Q.31 Explain compound value method of Times value of money.
- Q.32 Illustrate the concept of cash flow statement with example.
- Q.33 Explain any two Activity ratios with example.
- Q.34 Write down the importance of solvency ratios in financial management.
- Q.35 State the important as well as difficulties in capital budgeting.

#### **SECTION-D**

- Note:** Long answer type questions. Attempt any two questions out of three questions. (2x10=20)
- Q.36 The medium approach is an improvement of traditional approval comment. Also mention its scope.
- Q.37 Prepare a fund flow statement with the help of imaginary figures as per accounting standard.
- Q.38 Discuss the meaning & importance of time value of money. Also explain the net present value with examples.

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#### **3rd Sem / DBM, DAM (IPM), FAA Subject:- Financial Management**

Time : 3Hrs.

M.M. : 100

#### **SECTION-A**

**Note:** Multiple choice questions. All questions are compulsory (10x1=10)

- Q.1 Two basic measures of liquidity are
- Inventory turnover & current Ratio
  - Current Ratio and Quick Ratio
  - Gross Profit & operating Ratio
- Q.2 Current Ratio is :-
- solvency Ratio
  - Liquidity Ratio
  - Activity Ratio
  - Profitability Ratio
- Q.3 Current assets expected to be realised within \_\_\_\_\_
- 3 months
  - 6 months
  - 01 years
  - 02 years
- Q.4 Quick Ratio is also known as
- Liquid ratio
  - Current ratio
  - Working Capital ratio
  - None of these
- Q.5 Which of the following is considered cash equivalents?
- Investment
  - Marketable securities

(40)

(4)

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- c) Debtors                    d) All of above
- Q.6 Dividend paid by Trading co. is :-  
 a) Cash flow from operating activities  
 b) Cash flow from investment activities  
 c) Cash flow from financing activities
- Q.7 Cash Deposited in bank will be classified as:-  
 a) Cash flow from operating activities  
 b) Cash flow from investing activities  
 c) Cash flow from financing activities  
 d) No Cash flow
- Q.8 Credit Purchase 12,00,000, opening creditors 2,00,000, closing creditors Rs 1,00,000, then Trade payable turnover ratio is  
 a) 6 times                    b) 4 times  
 c) 8 times
- Q.9 Discount rate that makes NPV equal to zero is known as :-  
 a) Benefit - Cost ratio  
 b) Discount Payback Period  
 c) Internal rate of return
- Q.10 Watered capital means :-  
 a) Over capitalization  
 b) Under capitalization  
 c) Capital not represented by assets  
 d) None of above

## SECTION-B

- Note:** Objective type questions. All questions are compulsory. (10x1=10)
- Q.11 Cash deposits by customers in bank is cash flow from operating activities. (T/F)
- Q.12 Cash from operating activities will decrease due to increase in C. assets. (T/F)
- Q.13 If debt equity ratio exceeds 2:1, its indicate no risk. (T/F)
- Q.14 Goodwill is a part of current assets. (T/F)
- Q.15 Difference between C.assets and C.Liabilities is called working Capital. (T/F)
- Q.16 Operating Profit is a cash from operating profit.(T/F)
- Q.17 Dividend is a cash flow from financing activity in cash flow statement. (T/F)
- Q.18 Boom is the best time to raise capital of a company. (T/F)
- Q.19 Creation of value for shareholders is basic of financial management. (T/F)
- Q.20 In financial market, the long the term financial instruments are \_\_\_\_\_ market.

## SECTION-C

- Note:** Short answer type questions. Attempt any twelve questions out of fifteen questions. (12x5=60)
- Q.21 Discuss the nature and scope of financial management.
- Q.22 Write down the main function of Financial management.
- Q.23 What are the basic qualification one should possess to become a successful Financial Manager?