

- Q.23 Which type of qualification a finance manager need to have?
- Q.24 Discuss the sources of long term finance.
- Q.25 Mention the function of financial management.
- Q.26 Explain the needs of time value of money.
- Q.27 What is ratio? Explain liquidity ratios.
- Q.28 Tabulate the format of fund flow statement.
- Q.29 Discuss the problems faced by the financial manager at the time of taking Capital budgeting decisions.
- Q.30 Mention the items included in cash flow statement.
- Q.31 Define fund. Explain the need for making fund flow statement.
- Q.32 What are objectives of cash flow statement?
- Q.33 Discuss various techniques of capital budgeting.
- Q.34 What are the scope of financial management?
- Q.35 Discuss various types of Ratios.

#### SECTION-D

- Note:** Long answer type questions. Attempt any two questions out of three questions. (2x10=20)
- Q.36 What do you mean by financial management. Discuss the qualities of a financial manager.
- Q.37 Explain the methods of time value of money.
- Q.38 Discuss the objectives and importance of Ratio analysis.

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### 3rd Sem / DBM, DBM (IPM), FAA Subject:- Financial Management - 1

Time : 3Hrs.

M.M. : 100

#### SECTION-A

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

- Q.1 Business finance is needed to -  
a) Establish a business b) Run a business  
c) Expand a business d) all of these
- Q.2 If dividend portion of total earnings is high, portion of retained earnings will be  
a) Low b) High  
c) Not affected d) None of these
- Q.3 Liquid ratio is equal to liquid assets divided by-  
a) Current liabilities  
b) Total liabilities  
c) Contingent liabilities  
d) Non-current liabilities
- Q.4 What is the primary goal of financial management  
a) To minimize the financial risk  
b) To maximize the owner's wealth  
c) To maximize the return  
d) To raise profit

- Q.5 CAPM stands for-
- Capital Amount Pricing Model
  - Capital Assets Pricing Model
  - Current Assets Printing Model
  - Current Amount Printing Module
- Q.6 Financial management decision deals with-
- Profit maximization
  - Sales maximization
  - Wealth maximization
  - Assets maximization
- Q.7 Long term finance is required for
- Current assets
  - Fixed assets
  - Intangible assets
  - None of these
- Q.8 What is an asset-
- Inflow of fund
  - Use of fund
  - Source of fund
  - All of these
- Q.9 Current assets are also referred to as-
- Inventory
  - Working capital
  - Live stock
  - Investment
- Q.10 Capital budgeting is a part of -
- Investment decision
  - Working capital management
  - Marketing decision
  - Capital structure

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## SECTION-B

**Note:** Objective type questions. All questions are compulsory. (10x1=10)

- Q.11 The primary objective of financial management is to arrange wealth for Shareholders. (True/False)
- Q.12 Investment is the employment of funds on assets to earn returns. (True/False)
- Q.13 Capital budgeting decisions are long term decision . (True/False)
- Q.14 Working capital turnover ratio may be classified as activity ratio. (True/False)
- Q.15 Cash planning is a part of long term financial planning . (True/False)
- Q.16 NPV stands for Net Present Value. (True/False)
- Q.17 Capital structure determines the least expensive sources of funds for the firm to borrow. (True/False)
- Q.18 Financial accounting states the financial position of a concern. (True/False)
- Q.19 Current ratio is a solvency ratio. (True/False)
- Q.20 Financial management is essential for all types of organizations. (True/False)

## SECTION-C

**Note:** Short answer type questions. Attempt any twelve questions out of fifteen questions. (12x5=60)

- Q.21 What are the functions of financial management?
- Q.22 Discuss the nature of financial management.

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