

- Q.27 What are the needs of calculating solvency ratio?
- Q.28 What is cost of capital and its importance in taking investment decision?
- Q.29 Explain the main features of financial management.
- Q.30 Describe the scopes of financial management.
- Q.31 What is the concept of time value of money, explain.
- Q.32 Explain the concept of net present value.
- Q.33 Write a short note on liquidity ratio.
- Q.34 What are the main objectives of ratio analysis?
- Q.35 Describe payback method of evaluating capital budgeting projects.

SECTION-D

Note: Long Answer type question. Attempt any two questions. (2x10=20)

- Q.36 Define financial management explain its nature and scope.
- Q.37 Define ratio. Explain the importance of ratio analysis in financial management.
- Q.38 What do you understand by capital budgeting explain its importance in fast growing firm.

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Roll No.....

5th Sem / FAA Subject : Financial Management

Time : 3 Hrs.

M.M. : 100

SECTION-A

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

- Q.1 ABC analysis is a technique of _____
- Inventory Management
 - Record Management
 - Both
 - None
- Q.2 EOQ stands for _____.
- Extra Order Quantity
 - Economic Order Quantity
 - Both
 - None
- Q.3 Financial management include _____ future requirement of fund
- Planning
 - organizing
 - Controlling
 - All of these
- Q.4 Financial management take financial decisions under categories namely.
- Investment
 - Financing
 - Dividend
 - All of these

- Q.5 Risk diversification is a goal of _____
 a) Marketing Management
 b) Financial Management
 c) Both
 d) None
- Q.6 In Financial Management TVM is _____
 a) Test Value of Money
 b) Top Value of Money
 c) Time Value of Money
 d) None
- Q.7 This is a source of Long term fund
 a) Share b) Term Loan
 c) Debentures d) All of these
- Q.8 Capital budgeting decision are for _____
 a) Long run b) Short run
 c) Both d) None
- Q.9 This includes relatively high risk _____
 a) Preference share b) Equity shares
 c) Both d) None
- Q.10 Minimum cost of capital is _____
 a) Profit b) Loss
 c) Interest d) None

SECTION-B

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

- Q.11 (Solvency ratio = financial leverage ratio).
 (True/False)

- Q.12 Term Loan is not a source of Long run finance.
 (True/False)
- Q.13 NPV is Net Present Value. (True/False)
- Q.14 Ratio analysis provides financial health of a firm. (True/False)
- Q.15 Source and application of fund included in fund flow statement. (True/False)
- Q.16 Net working capital = Current assets - current liabilities. (True/False)
- Q.17 Controlling of financial activity is an objective of financial management. (True/False)
- Q.18 Retained profit distribution is the part of financial management. (True/False)
- Q.19 (Liquidity ratio = current paying capacity)
 (True/False)
- Q.20 Ability to pay of short term debt called as liquidity ratio. (True/False)

SECTION-C

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

- Q.21 What are the needs of ratio analysis?
- Q.22 What do you mean by net working capital. (CO-4)
- Q.23 Explain payback method of capital budgeting decision making?
- Q.24 Write main objectives of calculating time value of money.
- Q.25 What are the objectives of calculating IRR?
- Q.26 What are the implications of activity ratio in financial management?