

B.B.A. Part-II Semester-IV (CBCS) Examination
BBA-401
FINANCIAL MANAGEMENT

Time : Three Hours]

[Maximum Marks : 80]

SECTION—A

Choose the correct option of the following :

8. Operating leverage measures the effect of :
- Changes in sales on operating income
 - Changes in sales on net income
 - Changes in sales on fixed costs
 - Changes in sales on variable costs
9. Dividend policy refers to :
- The decision-making process for issuing new shares of stock
 - The process of acquiring other companies through stock transactions
 - The decision-making process for distributing profits to shareholders
 - The process of buying back shares of stock from the market
10. According to the net income approach, dividends are paid :
- After all expenses and taxes are deducted from revenue
 - Before taxes are deducted from revenue
 - After interest expenses are deducted from revenue
 - Before expenses are deducted from revenue.

$10 \times 2 = 20$

SECTION—B

1. (A) Explain Financial Management with limitation. 4

OR

- (B) What is Lease Financing ? 4

2. (A) Write a note on Capital Budgeting. 4

OR

- (B) Explain Internal Rate of Return. 4

3. (A) Explain the concept of working capital. 4

OR

- (B) Describe Estimation of working capital requirements. 4

4. (A) Explain meaning and importance of cost of capital. 4

OR

- (B) Explain meaning and concept of Leverages. 4

5. (A) Explain the concept of dividend. 4

OR

- (B) Explain the types of dividend. 4

SECTION—C

1. (A) Explain in brief about long term source of finance. 8

OR

- (B) Describe Lease financing and Hire purchasing. 8

2. (A) Explain traditional and discounted cash flow techniques of Capital Budgeting. 8
- OR**
- (B) Describe Risk & Return analysis. 8
3. (A) What is working capital ratios ? 8
- OR**
- (B) Describe the concept of working capital cash management. 8
4. (A) Explain in brief about cost of equity. 8
- OR**
- (B) Explain cost of debt in detail. 8
5. (A) Explain Walter's Model. 8
- OR**
- (B) Explain Net income approach. 8