

**DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/
MANAGEMENT/COMMERCIAL PRACTICE — APRIL, 2019**

FINANCIAL MANAGEMENT

[Time : 3 hours]

(Maximum marks : 100)

PART — A

(Maximum marks : 10)

Marks

I Answer *all* questions in one or two sentences. Each question carries 2 marks.

1. Define financial management.
2. Recall quick ratio.
3. Outline the term capital gearing.
4. Write the meaning of under capitalization.
5. State the meaning of finance.

(5×2 = 10)

PART — B

(Maximum marks : 30)

II Answer any *five* of the following questions. Each question carries 6 marks.

1. Explain the relationship between the traditional concepts & the modern concept of finance.
2. State the meaning of financial planning.
3. Give a brief note on functions of I.F.C.I.
4. Describe about the theories of capitalization.
5. Explain the factors affecting capital structure.
6. State the meaning of leverage ratio.
7. Summarize the objectives of financial analysis.

(5×6 = 30)

PART — C

(Maximum marks : 60)

(Answer *one* full question from each unit. Each full question carries 15 marks.)

UNIT — I

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| III | (a) Explain the functions of financial management. | 7 |
| | (b) Describe the goals of financial management. | 8 |

OR

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| IV | Discuss in detail about the advantages and limitations of financial plan. | 15 |
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UNIT — II

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| V | State the sources of fund used in the business. | 15 |
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OR

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| VI | Describe the various types financial institutions in meeting the financial requirements of industries. | 15 |
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UNIT — III

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| VII | (a) Enumerate the causes of watered capital. | 10 |
| | (b) Explain payback period. | 5 |

OR

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| VIII | Describe the causes and effects of under capitalization. | 15 |
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UNIT — IV

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| IX | State the uses and limitations of ratio analysis. | 15 |
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OR

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| X | Describe the various types of ratios. | 15 |
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