

Roll No.

MMS/MX

6792

Financial Management

Paper: CP-204

Time: Three Hours]

[Maximum Marks: 70

Note:- Question No.1 is compulsory. Attempt any FIVE questions in all.

All questions carry equal marks.

1. (a) What are the objectives of financial management?
(b) What are the various techniques to calculate time value of money?
(c) What is weighted average cost of capital?
(d) Give the significance of working capital in a firm.
(e) How risk can be measured in capital budgeting decisions?
(f) What is a cash budget? Why it is used?
(g) What is optimum capital structure? 2x7=14
2. What is Financial Management? What major decisions are taken by a finance manager? Also discuss the tools available to take such decisions. 14
3. As a financial manager of a newly started joint stock company of a large size, what various sources would you tap to raise funds required for smooth running? Explain. 14
4. S & G Ltd. issues 10,000 10% Preference shares of Rs. 100 each. Cost of issue is Rs. 2 per share. Calculate cost of preference capital if these shares are issued (a) at par, (b) at a premium of 10% and (c) at a discount of 5%. 14
5. Give a critical appraisal of the Net Income approach and the Modigliani Miller's approach to the problem of capital structure. 14
6. What is inventory management? Explain various tools and techniques for inventory management. 14
7. What is capital budgeting? Discuss its importance. Briefly explain the various methods of capital budgeting bringing out their advantages and limitations. 14
8. Discuss the various forms of dividend. How far do you agree that dividends are irrelevant for a business? 14