

**B B A DEGREE END SEMESTER EXAMINATION - OCT./NOV. 2020 : JAN 2021****SEMESTER 3 : INTEGRATED MARKETING AND NEW MEDIA****COURSE : 16U3CRBBA9 : FINANCIAL MANAGEMENT***(Common for Regular - 2019 Admission and Supplementary 2016/2017/2018 Admissions)*

Time : Three Hours

Max. Marks: 75

**PART A****Answer All (1 mark each)**

1. What do you mean by cost of debt?
2. What is explicit cost?
3. What is operating profit ?
4. What is present value factor ?
5. What is FGCP ?
6. What is dividend pay out ratio ?

**(1 x 6 = 6)****PART B****Answer any 7 (2 marks each)**

7. State profit maximisation as an objective of financial management
8. State wealth maximisation as an objective of financial management
9. How do you calculate degree of financial leverage ?
10. How do you calculate pay back period when cash inflows are uneven ?
11. What is the formula for calculating IRR when cash inflows are even ?
12. What is Receivables Conversion Period ? How do you calculate it ?
13. Calculate Work-in-Process conversion period from the following:  
Opening stock of WIP 20,000  
Closing stock of WIP 30,000  
Cost of production during the year 1,80,000.  
Assume number of working days in a year 360 days
14. Calculate Receivables conversion period from the following:  
Opening balance of Debtors 35,000  
Closing balance of Debtors 25,000  
Credit sales during the year 3,70,000.  
Sales return 10,000
15. What is an equity share ?
16. Distinguish between dividend and dividend policy.

**(2 x 7 = 14)****PART C****Answer any 5 (5 marks each)**

17. Critically examine wealth maximisation as an important objective of financial management.
18. M Ltd issues 10% Preference Shares of Rs. 100 each at 5% premium redeemable after 5 years at 10% Premium. Floatation cost Rs.2 per share  
Calculate the cost of capital
19. Explain the treatment of non cash and non operating items while preparing cash flow statement.
20. What are the uses of cash flow statement ?

21. What are the merits and demerits of IRR ?
22. You are given the following information  
Debtors 20,000, Creditors 18,000, Bills Payables 10,000, Bills Receivables 18,000 Stock of Finished goods 50,000  
Calculate Gross working capital and net working capital
23. How do you determine the optimum capital structure of a company ?
24. How does retained earnings helpful to a company ?

**(5 x 5 = 25)**

**PART D**

**Answer any 2 (15 marks each)**

25. Define Financial Management. Discuss the objectives and scope of financial management in detail.
26. Explain various methods of capital budgeting.
27. Explain various factors determining the working capital requirements of a firm
28. What do you mean by capital structure ? Explain various factors influencing capital structure.

**(15 x 2 = 30)**