

B B A DEGREE END SEMESTER EXAMINATION - MARCH 2025**SEMESTER - 4: BUSINESS ANALYTICS****COURSE: 23U4CRBBA12 - FINANCIAL MANAGEMENT***(For Regular 2023 Admission)*

Time : Three Hours

Max. Marks : 60

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

1. Define Net Present Value.
2. Write the formula for cost of capital of irredeemable preference shares.
3. Write two importance of working capital management.
4. State any two cash outflows from financing activities.
5. What is a current liability? Give examples.
6. Explain irregular dividend policy.
7. What is composite dividend?
8. What is permanent working capital?

(1 x 8 = 8)**PART B****Answer any 6 (2 marks each)**

9. Describe any two capital budgeting methods.
10. Briefly explain the objectives of Cashflow Statement.
11. Payback period of Project A is 2 years, Project B is 1 year 6 months and Project C is 4 years. Which Project will you choose as a financial manager and why? Justify your answer.
12. Briefly explain any two essentials of a sound dividend policy.
13. From the following information find Payback Period:
Initial investment Rs. 1,50,000
Annual Cash Inflow Rs. 25,000
14. Briefly explain capital structure. Name two capital structures theories.
15. Briefly explain dividend decision in financial management.
16. From the following information find Net Working Capital: -

Machinery	Rs. 1,00,000
Cash in hand	Rs. 40,000
Debtors	Rs. 10,000
Outstanding Expenses	Rs. 10,000
Prepaid Expenses	Rs. 5,000
Bills Receivables	Rs. 12,000
Bills Payables	Rs. 10,000

(2 x 6 = 12)

PART C

Answer any 4 (5 marks each)

17. Explain the different types of working capital.
18. Differentiate between Equity Shares and Debentures.
19. From the following information find
 - a) Cash from Operating activity
 - b) Cash from Investing activity
 - c) Cash from Financing activity

Particulars	Amount
Cash Sales	1,00,000
Cash Purchase	45,000
Payment to creditors	20,000
Payment of wages	20,000
Sale of Fixed asset	2,00,000
Purchase of fixed asset	1,00,000
Issue of equity share capital	1,50,000
Issue of preference share capital	1,25,000
Repayment of loan	75,000
Redemption of preference share	50,000
Dividend paid	25,000
Dividend received	30,000
Interest Received	5,000
Interest Paid	4,000
Commission Received	6,000

20. A company issued 2000, 5% preference shares of 100 each at a premium of 10% redeemable after 5 years at a premium of 10%. Compute the cost of preference capital.
21. Explain in detail the importance of Cashflow statement.
22. Describe the different types of dividends.

(5 x 4 = 20)

PART D

Answer any 2 (10 marks each)

23. Explain the different capital structure theories.
24. Discuss in detail equity shares and preference shares and its different types.
25. From the following information find IRR. The initial investment Rs. 4,00,000

YEAR	Cash inflows	Discount rate @ 10%	Discount rate @ 20%
1	70,000	0.909	0.833
2	1,00,000	0.826	0.694
3	1,20,000	0.751	0.579
4	1,55,000	0.683	0.482
5	1,75,000	0.621	0.402

26. Prepare Schedule of Change in Working Capital.

BALANCE SHEET

Liabilities	2010	2011	Assets	2010	2011
Equity Share Capital	7,00,000	7,50,000	Cash in hand	51,000	60,000
Debentures	2,00,000	2,50,000	Sundry Debtors	72,000	1,02,000
Tax Payable	40,000	72,000	Stock	26,000	1,05,000
Creditors	56,000	1,35,000	Bills Receivables	50,000	42,000
Bills Payable	10,000	10,000	Plant & Machinery	7,00,000	8,00,000
Interest Payable	60,000	93,000	Long-term Investment	2,01,000	2,21,000
Dividend Payable	34,000	20,000			
	11,00,000	13,30,000		11,00,000	13,30,000

(10 x 2 = 20)