

N-324
B.B.A. (Third Semester) EXAMINATION, 2010
FINANCIAL MANAGEMENT
(BT-131)
Time : 3 Hours
Maximum Marks: 35
Note: Attempt ques. as per instruction in the part.
(Section-A)

Attempt any 5 ques..

1. State actual or False
 - i. "Financial Management" has been authored by Khan and Jain.
 - ii. "Pay-Back Period" method is the most popular method of capital budgeting.
 - iii. "Modigliani-Miller Approach" relates to capital structure.
 - iv. Capital gearing is a ratio based concept.
 - v. Time element is considered in the Pay-Back Period.
 - vi. Inventory management is not an important component of Working Capital Management.
 - vii. Concept of cumulative savings is not concerned with capital budgeting.
 - viii. By Issuing Bonus Shares under capitalization cannot be remedied.

(Section-B)

Note: Attempt any 3 ques..

2. What do you mean by Financial Management?
3. describe "Under- Capitalisation".
4. What is Debt Equity Ratio? give formula.
5. State the objectives of "Capital budgeting".
6. What is capital structure determination decision?

(Section-C)

Note: Attempt any 3 ques..

7. Differentiate the concept of "overcapitalisation" and "undercapitalisation".
8. Write a detailed note on funds flow analysis.
9. explain the functions of Financial Management.
10. discuss the Modigliani-Miller approach of capital structure.
11. Calculate working capital with the help of operating cycle method. Assuming 360 days in a year:
 - i. Sales 10000 units ----- Rs 100 per unit
 - ii. Raw Material ----- Rs 55 per unit
 - iii. Labour ----- Rs 30 per unit
 - iv. Overhead ----- Rs 18 per unit
 - v. Average collection (credit) period for customers 45 days.
 - vi. Average payment (credit) period for supplier 50 days.
 - vii. Raw material storage period 30 days.
 - viii. Finished goods storage period 15 days.
 - ix. Production cycle period is of 25 days