

Total No. of Pages : 04

Roll No.

MS-109

Financial Management

(वित्तीय प्रबन्ध)

Master of Business Administration

(MBA/DIM-16/17)

2nd Semester

Examination-2019

Time : 3 Hours

[Maximum Marks : 80]

Note : This paper is of Eighty (80) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein.

Section–A

(Long Answer Type Questions)

Note : Section ‘A’ contains Five (05) long-answer-type questions of Fifteen (15) marks each. Learners are required to answer any three (03) questions only. **(3×15=45)**

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1. What are the various sources of long term finance? Evaluate equity capital as a source of long term finance giving its advantages and disadvantages.
2. Define inventory. What is the importance of holding inventory in an organisation? Explain ABC technique of inventory management.
3. What do you understand by capital structure of a company? Discuss the various factors affecting capital structure of a company.
4. Why capital budgeting decisions are considered important for a firm? Illustrate Net Present Value method of capital budgeting using the data of your own choice.
5. Explain dividend policy of a firm. Discuss Walter model of divided policy using hypothesised data to explain the model.

Section–B

(Short-Answer-Type Questions)

Note : Section ‘B’ contains Eight (08) short-answer-type questions of Seven (07) marks each. Learners are required to answer any Five (05) questions only.

(5×7=35)

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P.T.O.

(3)

1. Briefly discuss the functions of financial management.
2. ABC company has recently declared a dividend of ₹ 6 per share (face value ₹ 10) which is expected to grow at 6% p.a. forever in future. Find out the value of equity share if investors require a return of 12% p.a. from this share.
3. Illustrate the concept of cost of retained earnings using the data of your own choice.
4. Define risk and outline various sources of risk.
5. Illustrate the calculation of expected return. You are free to assume the required data.
6. Discuss various types of dividends being distributed by companies.
7. Explain “average collection period” giving its formula. Discuss its role in management of working capital.
8. A project requires an investment of ₹ 5,00,000. It has a life of six years. Calculate the IRR of the project if average annual cashinflows are ₹ 1,20,000.

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