

QP CODE: 20100800



Reg No :

Name :

BBA DEGREE (CBCS) EXAMINATION, MARCH 2020

Fourth Semester

Bachelor of Business Administration

Core Course - BA4CRT16 - FINANCIAL MANAGEMENT

2017 Admission onwards

86B52AC4

Time: 3 Hours

Marks: 80

Part A

*Answer any **ten** questions.*

Each question carries 2 marks.

1. Why accounting is considered as a sub function of finance?
2. What are the functions performed by a treasurer in a well organised modern business enterprise?
3. What do you mean by discounting of bills of exchange ?
4. What do you mean by ploughing back of profit ?
5. Define working capital.
6. What are receivables?
7. What is optimum capital structure?
8. What is the net operating income approach of capital structure.
9. How do we compute operating leverage?
10. Mention any two external factors affecting the dividend policy of an Indian company.
11. What is the Modigliani -Miller model of dividend policy?
12. What is bond dividend?

(10×2=20)

Part B

*Answer any **six** questions.*

Each question carries 5 marks.

13. Explain the Traditional Approach to financial management.
14. Why Wealth maximisation approach is considered as superior to profit maximisation approach?
15. What is a Public deposit?





16. What is Debt Financing? What are the different sources of debt financing ?
17. What are the two types of working capital?
18. What are the various opportunities available to a financial manager for investing surplus cash ?
19. Explain the significance of cost of capital.
20. X Ltd. issues 12% Debentures of face value Rs. 100 each and realizes Rs. 95 per Debenture after paying floatation cost of Rs 5. The Debentures are redeemable after 10 years at a premium of 10%. Calculate the cost of capital if tax rate is 50%.
21. Explain the Relevance Concept of Dividend . Also mention any one theory supporting the view that dividends are relevant.

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. What is profit maximisation approach? What are its demerits? How the wealth maximisation approach overcomes the drawbacks of profit maximisation?
23. Explain different sources of owners funds and borrowed funds used by an Indian businessman.
24. Explain the factors determining working capital? What are the advantages of adequate working capital?
25. What is Optimum Capital Structure? What are the factors determining capital Structure of a Company.

(2×15=30)

