



DS-010-006201

Seat No. _____

**P.G. Diploma in Business Administration
(Sem. - II) (CBCS) Examination**

April / May – 2015

PGDBA - 11201 : Financial Management

Faculty Code : 010

Subject Code : 006201

Time : 3 Hours]

[Total Marks :70

Instruction : All the questions carry equal marks.

Q-1 What is meant by Financial Management? What is the nature and scope of financial management .

Q-2 'Every Manager has to take three major decisions while performing the finance function' briefly explain them

OR

Q-2 What are the determinant of capital structure of a company?

Q-3 What is meant by Working capital? How is it calculated? Explain the determinants of working capital requirements

OR

Q-3 Calculate the weighted average cost of capital from the following details:

Equity share capital	14 Lakhs
15% Preference Share capital	10lakhs
13% Debentures	8 lakhs
7% Long term Loan	<u>4 lakhs</u>
Total	36 lakhs

Equity share holders expect a return of 20 % on their Investment.

Q-4 Which are the different sources of finance? Explain the long term and short term sources of finance.

OR

Q-4 ABC Ltd provides you the following information:

a) Purchase price of machine	Rs 5,50,000
b) Installation Expense	Rs. 50,000
c) Useful life of Machine	6 years
d) Tax Rate	30%

Required Calculate the Payback Period:

Case 1) If earnings before depreciation and tax are Rs. 2,75,000 p.a

Case 2) If earnings before tax are Rs. 2,75,000 p.a

Case 3) If earnings after tax are Rs. 2,75,000 p.a

Q-5 Write short notes on: (Any Two)

A) Payback period

B) Dividend Decisions

C) ABC Analysis

D) Inventory Management
