



**JAK-161100010307** Seat No. \_\_\_\_\_

**B. B. A. (Sem. III) (CBCS) Examination**

**November – 2019**

**Finance Management**

Time :  $2\frac{1}{2}$  Hours]

[Total Marks : 70

- 1 Explain the meaning of the term financial management. 14  
Discuss its function in detail.

**OR**

- 1 Define financial management. Explain the nature and scope 14  
of financial management.

- 2 Compare and contrast discounting and compounding 14  
techniques. Also explain their practical applications.

**OR**

- 2 Satish deposits Rs. 10,000 in a fixed deposit @ 5% 14  
interest compounded annually for 3 years term. How much  
total amount he will get at the end of 3 years? Also show  
calculations using formula method.

- 3 Discuss the major determinants of working capital. 14

**OR**

- 3 What is working capital? Explain the need for working capital 14  
and its various types.

- 4 What is capital budgeting? Discuss significance and process 14  
of capital budgeting.

**OR**

- 4 (a) From the following information you are required to calculate pay-back period : 7

A project requires initial investment of Rs. 40,000 and generates cash inflows of Rs. 16,000, Rs. 14,000, Rs. 8,000 and Rs. 6,000 in the first, second, third and fourth year respectively.

- (b) A project cost Rs. 25,000 and it generates cash inflows through a period of five years Rs. 9,000, Rs. 8,000, Rs. 7,000, Rs. 6,000 and Rs. 5,000. The required rate of return is assumed to be 10%. Find out the Net Present Value of the project. 7

<i>Year</i>	1	2	3	4	5
<i>P.V. @ 10%</i>	0.9091	0.8264	0.7513	0.6830	0.6209

- 5 Define Capital Structure. Explain the features of an ideal capital structure. 14

**OR**

- 5 What does capital structure mean? Describe the determinants of capital structure. 14