



JAB-010-001508

Seat No. _____

B. B. A. (Sem. V) Examination

October - 2019

Paper - 508 : Advanced Financial Management - 01
(Old Course)

Faculty Code : 010

Subject Code : 001508

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

[Total Marks : 70

- Instructions :** (1) All questions are compulsory.
(2) All questions carry equal marks.

1 Discuss Modigliani Miller Approach of capital Structure. 14

OR

1 Discuss in detail factors affecting Capital Structure decision in actual practice. 14

2 Explain Walter's Model for dividend decision in detail. 14

OR

2 Define Dividend Policy. Discuss different forms of dividend. 14

3 Define Receivables Management. Explain. objectives of receivable management. 14

OR

3 Describe 5 "Cs" involved in Credit Evaluation for receivables Management. 14

4 Write Two Short Notes : 14

(A) Motives of Holding Cash.

(B) Importance of Cash Budget.

OR

- 4 Prepare cash budget for the following data. 14

Particulars	April	May	June	July
Opening Cash Balance	4,000	–	–	–
Collection From Debtors	26,000	32,000	33,000	46,000
Raw Material Purchase	5,000	9,000	8,000	12,640
Salary	20,000	21,000	20,000	22,840
Income Tax	1,200	–	–	–
Machine	–	–	4,000	–

Minimum Cash balance is Rs. 5,000. Suppliers of raw materials allow one month's credit for this purpose

- 5 Explain Importance of inventory management in detail. 14

OR

- 5 Radheshyam Industry has demand of 10,000 units 14

annually. Calculate EOQ (in units and rupees) from following :

Carrying Cost per unit = Rs. 0.40

Ordering cost per order = Rs. 80

Price per unit = Rs. 4