



DCY-161100010307

Seat No. _____

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

August - 2022

Financial Management

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

[Total Marks : 70

Instruction : Attempt any **five** questions.

- 1 Explain the meaning of financial management. Discuss the objectives of financial management in detail. 14
- 2 Discuss the scope of financial management in brief. 14
- 3 What do you mean by time value of money and discuss the reasons for time value of money. 14
- 4 Mr. Jignesh deposits 5,00,000 in a bank for 10 years at 6% interest rate. What would be the value of amount after 10 years? (Table value factor for 6% at 10 years would be 1.791). 14
- 5 What is working capital and discuss the factors affecting working capital. 14
- 6 Explain the working capital cycle along with different types of working capital. 14
- 7 Explain investment decision and discuss the importance of capital budgeting. 14
- 8 A company has an investment opportunity costing Rs. 40,000 with the following expected net cash flow (i.e. after taxes and before depreciation). 14

Year	Net cash flow
1	7,000
2	7,000
3	7,000
4	7,000
5	7,000

Year	Net cash flow
6	8,000
7	10,000
8	15,000
9	10,000
10	4,000

Using 10% as the cost of capital (rate of discount) determine the following :

- (1) Pay-back period.
- (2) Net present value at 10% discounting factor.
- (3) Profitability index at 10% discounting factor.

Present value :

Year	1	2	3	4	5	6	7	8	9	10
At 10%	0.909	0.826	0.751	0.683	0.621	0.564	0.513	0.467	0.424	0.386

- 9** Explain the meaning of capital structure and discuss the types of capital structure in detail. **14**
- 10** Discuss the features of an ideal capital structure. **14**
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