



Seat No. _____

HAO-161100010307
B. B. A. (Sem. III) (CBCS)
(W.E.F. 2016) Examination
June - 2023
Financial Management

Time : $2\frac{1}{2}$ Hours / Total Marks : 70

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

OR

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

- 2 Ankit deposits Rs. 10,000 in a fixed deposit @ 5% 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. 14

OR

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

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

OR

- 3 Discuss the factors determining working capital. 14

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

- (b) A project costs 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

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

OR

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

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

OR

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