

C.U. SHAH UNIVERSITY

Summer Examination-2019

Subject Name: Financial Management

Subject Code: 5MS02FMT1

Branch: MBA

Semester: 2

Date: 25/04/2019

Time: 02.30 To 05.30

Marks: 70

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

SECTION – I

Q-1 Attempt the Following questions (07)

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|--|-----------|---|----------|
| | a. | Give full form of NPV. | 1 |
| | b. | State the objectives of finance management. | 1 |
| | c. | What is time value of money? | 1 |
| | d. | What is budget? | 1 |
| | e. | What is capital structure? | 1 |
| | f. | What is dividend? | 1 |
| | g. | State the qualities of finance manager. | 1 |

Q-2 Attempt all questions (14)

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|--|----------|---|-----------|
| | 1 | Explain motives for holding inventory. | 07 |
| | 2 | Define financial management and explain scope of finance. | 07 |

OR

Q-2 Attempt all questions (14)

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|--|----------|--|-----------|
| | 1 | Explain function of financial management | 07 |
| | 2 | Write a note on wealth maximization | 07 |

Q-3 Attempt all questions (14)

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|--|----------|--|-----------|
| | 1 | Describe short term sources of working capital. | 07 |
| | 2 | Describe role of commercial bank in working capital management | 07 |

OR

Q-3 1 Write a note on pay back method of capital budgeting with example. 07

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|--|----------|------------------------------|-----------|
| | 2 | Explain types of debentures. | 07 |
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SECTION – II

Q-4 Attempt the Following questions (07)

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|--|-----------|------------------------|----------|
| | a. | Give full form of IRR. | 1 |
| | b. | Give full form of ARR. | 1 |
| | c. | What is equity? | 1 |
| | d. | Give full form of EPS. | 1 |



	e.	State the equation of combine leverage.	1
	f.	What is P/E ratio?	1
	g.	What is share?	1
Q-5		Attempt all questions	(14)
	1	Explain EBIT & EPS.	07
	2	Explain irrelevancy theory of dividend decision.	07
		OR	
Q-5	1	Write a note on NOI approach of capital structure.	07
	2	Write a note on valuation of security.	07
Q-6		Attempt all questions	(14)
	1	Explain various techniques of capital budgeting.	07
	2	Discuss limitation of cash budget.	07
		OR	
Q-6		Attempt all Questions	
	1	Explain Modigliani Millar approach.	07
	2	Explain different types of leverage and its implication.	07

