

Reg. No. :

Name :

**Fourth Semester B.B.A. LL.B. (Five Year Integrated) Degree Examination,
March 2025**

Paper II : FINANCIAL MANAGEMENT

(2013 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

PART – A

- I. Explain any **five** of the following. Each question carries **2** marks. Each answer should not exceed **50** words.
1. Define Net Present Value method.
 2. What is implicit cost?
 3. Explain Equity shares.
 4. Define IRR
 5. Define Capital Budgeting
 6. Define Over capitalization.
 7. What is a Preference share?

(5 × 2 = 10 Marks)

PART – B

- II. Answer any **four** of the following. Each question carries **4** marks. Each answer should not exceed **120** words.
8. What are the Advantages of NPV Method?
 9. Explain the various types of Debentures.
 10. Point out the Disadvantages of Pay Back Period Method.

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11. Define Financing decision.
12. What do you mean by capital structure?

(4 × 4 = 16 Marks)

PART – C

- III. Answer any **four** of the following. Each question carries **6** marks.
13. What are the major types of preference shares?
 14. Point out the main advantages and disadvantages of Rate of Return Method.
 15. Write a short note on the nature of capital budgeting.
 16. What are the main difference between NPV and IRR?
 17. What are the problems in the determination of cost of capital?
 18. Explain Pay-back Period Method related with capital budgeting.

(4 × 6 = 24 Marks)

PART – D

- IV. Answer any **three** of the following. Each question carries **10** marks.
19. Explain the scope of financial management.
 20. Write an essay on Capital budgeting process.
 21. A project requires an investment of Rs. 5,00,000 and has a scrap value of Rs. 20,000 after 5 years. It is expected to yield profits after depreciation and taxes during the five years amounting to Rs. 40,000, Rs. 60,000, Rs. 70,000, Rs. 50,000 and Rs. 20,000. Calculate the average rate of return on the investment?
 22. What do you mean by Profitability Index? What are its merits and demerits?
 23. Explain the computation of the cost of capital?

(3 × 10 = 30 Marks)