



Reg. No. :

Name :

**Fourth Semester B.B.A. LL.B. (Five Year Integrated) Degree
Examination, March 2019
Paper – II : FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 80

PART – A

I. Explain **any five** of the following questions. **Each** answer should **not** exceed **50** words. **Each** question carries **2** marks. **(5×2=10 Marks)**

- 1) What is optimum capital structure ?
- 2) What is safety stock ?
- 3) What is property dividend ?
- 4) What is EOQ ?
- 5) What is time adjusted rate of return ?
- 6) What is EPS ?
- 7) What do you mean by capital budgeting decisions ?

PART – B

II. Answer **any four** of the following questions. **Each** answer should **not** exceed **120** words. **Each** question carries **4** marks. **(4×4=16 Marks)**

- 8) Explain the concept of wealth maximisation as an objective of financial management.
- 9) What are the features of capital structure ?
- 10) What are the benefits of adequate working capital ?
- 11) Differentiate between NPV and IRR method.
- 12) Explain ABC analysis.



PART - C

III. Answer **any four** of the following questions. **Each** question carries **6** marks. **(4×6=24 Marks)**

- 13) Explain the functions of financial management.
- 14) What is ARR ? How is it computed ?
- 15) What are the different approaches of determining working capital mix ?
- 16) D Ltd. issues Rs. 2,00,000 9% debentures at a premium of 10%. The flotation costs are 2%. The tax rate applicable is 60%. Compute cost of debt capital.
- 17) Define receivables management. Discuss the scope of receivables management.
- 18) What are the merits and demerits of weighted average cost of capital ?

PART - D

IV. Answer **any three** of the following questions. **Each** question carries **10** marks. **(3×10=30 Marks)**

- 19) Explain the financing of working capital.
- 20) What is capitalisation ? What are the reasons for changes in capitalisation ?
- 21) From the following information, calculate IRR :

Cost Rs. 22,000

Cash Inflows :

Year 1	12,000
2	4,000
3	2,000
4	10,000

- 22) Explain dividend and its types.
- 23) Explain the techniques of inventory management.