

(L)

FYBA F
OP3ACR

Fin. Mgmt.

Max Marks : 75

Duration : 2 ½ Hrs.

Note : All questions are compulsory

Q. I. A. Answer to any 8 of the following-

08 M

- 1) Finance deal with _____
- 2) Financial management includes _____
- 3) Interest 9% simple for 2 years on Rs. 2,000 deposit will be _____
- 4) Interest paid on the principal for fixed period at fixed rate is _____
- 5) Long term decisions are called as _____
- 6) Payback period is _____
- 7) The security on which is last claimant is _____
- 8) The rate of dividend on preference share capital is _____
- 9) Cost of a specific source of capital is _____
- 10) Combined cost of various source of capital is _____

B. Answer to any 07 of the following-

07 M

- 1) Explain financial management.
- 2) Define cost of capital.
- 3) What is time value of money?
- 4) Explain cash inflow.
- 5) What is long term finance?
- 6) Explain historical cost.
- 7) What is Annuity?
- 8) Explain implicit cost.
- 9) Explain short term finance.
- 10) Define cash outflow at zero time period.

Q. II. A.1) Name the different types of valuation of shares and write about yield method

08 M

2) What do you understand by present value, future value & future value table?

07 M

Q. II. B.1) What is interest? Write its types. Calculate interest as per both method with following

data- Amount borrowed is Rs. 1,00,000/-. The rate of interest is charged at 6%. Period under consideration is 2 years.

08 M

2) Explain doubling period and write about redemption yield. Calculate redemption yield from the

07 M

following data- 12% Conversion bonds redeemable at for at Rs. 85 in market. It is redeemable at par over 5 years.

Q. III. A.1) Explain capital budgeting. Write its importance.

08 M

2) Write in brief the various evaluation techniques involved in investment decisions.

07 M

Q. III. B.1) What is payback profitability index? Calculate the payback profitability from following data-

07 M

<u>Year</u>	<u>Profit (Rs.)</u>	<u>Depreciation is fixed at Rs. 10,000/-</u>
1	40,000	Tax@50%
2	60,000	
3	50,000	
4	50,000	

2) What is capital Rationing? Evaluation the following project on Capital Rationing situation with given data-

07 M

<u>Project</u>	<u>Initial Investment (000')</u>
1	20
2	15
3	14
4	09
5	13

Project are in combination of two projects.

Project 2 and 4 are mutually exclusive.

Investment limit is Rs. 30,000

Q. IV. A. Write the needs for financing.

08 M

B. Explain the various source of financing. Write about Debentures

07 M

OR

Q. IV. A. What is weighted average art of capital calculate it with following details-

08 M

<u>Source</u>	<u>Amount(Rs.)</u>	<u>Proportion%</u>	<u>Cost%</u>
Equity share capital	4,50,000	45	15
Retained Earnings	1,00,000	10	13
Preference share capital	1,00,000	10	11
Term loan	3,50,000	35	7.5

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Q. IV. B. Define cost of capital. Write about classification of cost of capital.

07 M

Q. V. Write short notes (Any Three)

15 M

- 1) Importance of financial management
- 2) NPV
- 3) Payback period method
- 4) Preference capital
- 5) Retained Earnings
- 6) Cost of debt

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