

(4)

Unit-IV

8. A Company supplies the following information:

Balance Sheet 10

Liabilities	Amt.	Assets	Amt.
Share Capital	200000	Goodwill	120000
Reserve	58000	Plant & Machinery	150000
Debentures	100000	Stock	80000
Creditors	40000	Debtors	45000
Bills Payable	20000	Cash	17000
Current Liabilities	2000	Current Assets	8000
	4,20,000		4,20,000

Credit Sale for the Year = Rs. 4,00,000=00

Gross Profit = Rs. 1,60,000=00

Calculate :

- Current Ratio
- Quick Ratio
- Stock Turn Over Ratio
- Average Collection Period

9. What is Cash Budget? Give the purpose of preparing Cash Budget. 10

A

(Printed Pages 4)

Roll No. _____

MS-3171

B.B.A. (Semester-IV) Examination, 2015

FINANCIAL MANAGEMENT

(BBA-402)

Time Allowed : Three Hours] [Maximum Marks : 70

Note : Answer five questions in all. Question No.

1 is compulsory and it carries 30 marks.

Attempt one question, which carries 10 marks, from each unit.

- Write short answer on the following: 3×10
 - What do you mean by time value of Money?
 - Define the term Financial Management.
 - How do you calculate Present Value?
 - What are the limitations of Capital-budgeting?
 - Discuss the relationship between EBIT & EPS?
 - What is point of indifference?
 - What is retained Earnings?
 - What is Cost of Capital?

(2)

- (i) What do you understand by ABC Analysis?
(j) Name the sources of short-term-working Capital.

Unit-I

2. What are the main functions of Finance Manager? How do they differ from those of the traditional finance-Manager. 10
3. Calculate Internal Rate of Return for Project 'A'. The details of the project are as under :
Initial Cost Rs. 10,500=00
Cash Inflows (Year-wise)

Year	1	2	3	4
Rs.	2000	3000	4000	5000
PVF at 10%	0.909	0.826	0.751	0.683
PVF at 12%	0.893	0.797	0.712	0.636

Unit-II

4. Penta LTD has all equity Capital structure consisting of 15000 Equity Shares of Rs. 100 each. The Management is planning to raise another Rs. 25 Laks to finance a major Project and is - Considering three alternatives of Financing-
- (A) To Issue 25000 Equity Share of Rs. 100 each.
(B) To Issue 25000, 8% Debenturs of Rs. 100 each.

(3)

(C) To Issue 25000 8% Preference Share of Rs. 100 each.

The Company is expected EBIT will be Rs. 8 Laks. Corporate tax rate is 46 per cent. Calculate the EPS in each Financial plan. 10

5. What is appropriate Capital-structure? Name the theories of Capital Structure. 10

Unit-III

6. Discuss the basic features of Equity-Shares. Why Preferences are Called - hybrid security. 10
7. Prepare Cash budget of a firm during the month of August and September. Details are given below : 10
1. 50 per cent of credit sales are realised in the month of following the sale, and the remaining sales in the second month following, Credition are paid in the month following the purchase.

2. Cash at bank on August 1 is Rs. 50000=00

Month	Sales (Rs.)	Purchase (Rs.)	wages (Rs.)
June	3,60,000	2,24,000	24,000=00
July	2,84,000	2,88,000	28,000=00
August	2,16,000	4,86,000	22,000=00
September	3,48,000	4,92,000	20,000=00