

A-0827

Total Pages : 4

Roll No. -----

BBA-502

Financial Management

Bachelor of Business Administration (BBA)

5th Semester Examination 2024(Dec.)

Time: 2:00 hrs

Max. Marks: 70

Note : This paper is of Seventy (70) marks divided into Two (02) Section A and B. Attempt the questions contained in these sections according to the detailed instructions given therein. Candidates should limit their answers to the questions on the given answer sheet. No additional (B) answer sheet will be issued.

P.T.O.

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Section-A

(Long-Answer-Type Questions)

Note : Section 'A' contains Five (05) long-answer-type questions of Nineteen (19) marks each. Learners are required to answer any Two (02) questions only.

[2x19=38]

- Q.1. What is Financial Management? Discuss the objectives of Financial Management.
- Q.2. Explain the importance of working capital management in business.
- Q.3. Explain briefly the pay-Back Period method and Accounting Rate of Return Method of capital budgeting.
- Q.4. Explain the meaning of the term capital structure and mention the factors affecting the capital structure.
- Q.5. Critically discuss the theories related to dividend policy.

Section-B
(Short-Answer-Type Questions)

Note : Section 'B' contains Eight (08) short-answer-type questions of Eight (08) marks each. Learners are required to answer any Four (04) questions only.

[4x8=32]

- Q.1. What do you mean by debentures?
- Q.2. Why do investors have a strong preference for dividends?
- Q.3. You are given the following facts about a firm.
- i. Risk free rate of return is 11%.
 - ii. Beta Co-efficient, b_1 of the firm is 1.23.

Compute the cost of equity capital using Capital Asset Pricing Model (CAPM) assuming a market return of 15% next year. What would be the cost of equity if b_1 rises to 1.75. P.T.O.

- Q.4. What do you understand by the term ‘capitalisation’?
- Q.5. What are the major sources of cash receipts?
- Q.6. Discuss the procedure for ABC analysis.
- Q.7. Write a note on lease financing.
- Q.8. Discuss the various sources of long-term finance.
