

A-755

Total Pages : 3

Roll No.

BBA-502

Bachelor of Business Administration (BBA)

(Financial Management)

5th Semester Examination, 2024 (June)

Time : 2:00 Hrs.

Max. Marks : 70

Note :- This paper is of Seventy (70) marks divided into Two (02) Sections '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.*

Section-A

(Long Answer Type Questions) 2×19=38

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.

A-755/BBA-502 (1)

P.T.O.

1. Discuss the internal and external sources of finance available to a business.
2. Discuss in detail the working capital management, its meaning and its significance to any business ?
3. Explain the term capital structure. Discuss the different theories relating to the valuation of a firm ?
4. Explain the various factors which influence the dividend decision of a firm and discuss the various forms of dividends ?
5. Write a note on profit maximization vs. wealth maximization. State the objections for profit maximization.

Section–B

(Short Answer Type Questions) 4×8=32

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.

1. Explain the nature and scope of finance function.
2. What is financial leverage ? Discuss the effect of financial leverage on earning per share ?
3. Define capital budgeting and discuss its role in financial decision making ?
4. What are the various concepts of cost of capital ?

5. What are the advantages of cash planning ?
6. Define the Economic Order Quantity. How is it computed ?
7. What are the sources of bonus issue ?
8. The following information is available in respect of a firm :

Capitalisation rate = 10%

Earnings per share = ₹ 50

Assume rate of return on investments :

(i) 12%

(ii) 8%

Show the effect of dividend policy on market price of share applying Walter's formula when dividend payout ratio is :

(a) 0%

(b) 20%

(c) 40%

(d) 80%

(e) 100%
