

Financial Management
(MB-205, Dec-2007)

Note: Section A is compulsory. Attempt any four questions from Section-B.

Section-A

1. Time value of money.
2. Accounting Rate of return.
3. Financial leverage.
4. Variable working capital.
5. Debenture.
6. Sources of Dividend Pay-out.
7. Implicit cost of Debt.
8. Share swap Ratio.
9. CAPM Equation.
10. MVA

Section-B

1. Compare Pay Back period and Average Rate of Return Methods. Support your answer with suitable example.
2. List down the factors which usually affect the long term funds requirements of a company. Explain the pros and cons of preference shares and public deposits as source of finance?
3. Explain the importance of cost of CAPITAL for investment decisions. How weighted average cost of capital is arrived at? Explain with the help of an example.
4. Explain the concept and importance of working capital? List down various sources of W.C? Explain any two short term sources of W.C in detail.
5. 'Dividend-Decision is an integral part of financing decision' how? Also list down the factors which usually influence the dividend of a company.
6. What is Corporate Restructuring? Explain the reasons and possible merits of mergers and takeovers. Support your answer with practical examples, if any.