Visit **www.brpaper.com** for downloading previous years question papers of B-tech, Diploma, BBA, BCA, MBA, MCA, Bsc-IT, M-Tech, PGDCA, B-com

Roll No. Total No. of Pages: 02

Total No. of Questions: 15

MBA / MBA(IB) (2012 & onward) (Sem.-2) FINANCIAL MANAGEMENT

Subject Code: MBA-205 Paper ID: [C0250]

Time: 3 Hrs. Max. Marks: 60

INSTRUCTION TO CANDIDATES:

- SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.
- SECTIONS-B consists of FOUR Subsections: Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.
- 3. SECTION-C is COMPULSORY carrying EIGHT marks.

SECTION-A

- 1. What is the need of financial manager?
- 2. What are the limitations of agency cost?
- 3. How equity capital differ from preference capital?
- 4. Discuss in detail venture capital.
- 5. Define operating leverage.
- 6. What do you mean by inventory management?

SECTION-B

UNIT-I

- 7. Discuss in detail objective, function and scope of financial management. What have been the key developments and reforms of the Indian financial sector since 1990?
- 8. What do you mean by long term financial resources? Discuss in detail method with which you can mobilises your financial resources.

UNIT-II

9. How is the rate of return on an assets is defined? What is the relationship of risk and return as per CAPM?

1 | M - 49100 (S13)-1981

10. The expected cash flows of a project are as follows:

Year	0	1	2	3	4	5
Cash flow	-1,00,000	20,000	30,000	40,000	50,000	30,000

The cost of capital is 12%. Calculate the net present value internal rate of return, modified internal rate of return payback period and discounted payback period.

UNIT-III

- 11. What do you mean by capital structure? Discuss in detail theories of capital structure.
- 12. Write down the following:
 - A. Traditional theories of dividend policies.
 - B. Implications of financial leverage.

UNIT-IV

- 13. Define working capital .Discuss in detail objectives of working capital, discuss in detail operating cycle approach to working capital and cash management.
- 14. Write detailed note on current scenario of factoring in India. How factoring affect financial position of any organisation explain with the help of example?

SECTION-C

15. CA May 1990 The following annual figures relate to XYZ Co.:

	Rs.		
Sales (at two month's credit)	3,600,000		
Materials consumed (suppliers extend two	900,000		
months credit)			
Wages paid (monthly in arrear)	720,000		
Manufacturing expenses outstanding at the	80,000		
end of the year (Cash expenses are paid one			
month in arrear)			
Total administrative expenses, paid as	240,000		
above			
Sales promotion expenses, paid quarterly in	120,000		
advance			

The company sells its products at a gross profit of 25 percent counting depreciation as part of the cost of Production. It keeps one month's stock each of raw materials and finished goods, and a cash balance of Rs. 100,000. Assuming a 20 percent safety margin, calculate the working capital requirements of the company on cash cost basis. Ignore work-in- process.

2 | M - 49100 (S13)-1981