



**K22U 1751**

Reg. No. : .....

Name : .....

**IV Semester B.B.A./B.B.A.T.T.M./B.B.A.R.T.M. Degree (CBCSS – Sup.)**

**Examination, April 2022**

**(2016 – 18 Admissions)**

**Core Course**

**4B09 BBA/BBA (TTM)/BBA (RTM) : FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 40

**SECTION – A**

Answer **all** questions. **Each** question carries  $\frac{1}{2}$  mark.

1. Identify profit maximization as an objective of financial management.
2. Elucidate about capital budgeting.
3. Define cost of capital.
4. What is net working capital ?

**(4×½=2)**

**SECTION – B**

Answer **any four** questions. **Each** question carries **1** mark.

5. Explain net income approach.
6. What do you mean by cost of debt ?
7. Explain about net present value method.
8. Bring out and explain dividend decision as a function of financial management.
9. What do you mean by cash management ?
10. Explain Economic Order Quantity as a selective measure of inventory control.

**(4×1=4)**

P.T.O.



## SECTION – C

Answer **any six** questions. **Each** question carries **3** marks.

11. Explain weighted average cost of capital. How it can be calculated ?
12. Elucidate about capital structure and also bring out the factors determining capital structure.
13. Bring out your view on why financial management is important in an organization.
14. Bring out and explain the process of capital budgeting.
15. State your views on need of working capital.
16. Bring out and explain the factors affecting receivable management.
17. Compare and contrast ARR and IRR.
18. A company issues 5,000, 12% of ₹ 100 each at a discount of 5%. The commission payable to underwriters is ₹ 25,000. Tax rate 50%. The debentures are redeemed after 5 years. Find kd(Cost of Debt). (6×3=18)

## SECTION – D

Answer **any two** questions. **Each** question carries **8** marks.

19. Explain cash management and also bring out various cash management techniques.
20. Define cost of capital. Bring out factors affecting cost of capital and its importance.
21. Calculate ARR and suggest the best one

Particulars	Project X	Project Y
Capital cost	40,000	60,000
Earnings after depreciation		
1 <sup>st</sup> year	5,000	8,000
2 <sup>nd</sup> year	7,000	10,000
3 <sup>rd</sup> year	6,000	7,000
4 <sup>th</sup> year	6,000	5,000

(2×8=16)