



**K22U 2234**

Reg. No. : .....

Name : .....

**V Semester B.B.A. Degree (CBCSS – OBE – Regular/Supplementary/  
Improvement) Examination, November 2022  
(2019 Admission Onwards)**

**Core Course  
1 – Finance**

**5B12BBA : ADVANCED FINANCIAL MANAGEMENT**

Time : 3 Hours

Max. Marks : 40

**PART – A**

I. Answer **all** questions in **one/two** sentences. **Each** question carries **1** mark.

- 1) What is capital structure ?
- 2) What do you mean by current assets ?
- 3) What is inventory management ?
- 4) What do you mean by dividend policy ?
- 5) What is meant by wealth maximisation ?
- 6) Define Economic Order Quantity (EOQ). **(6×1=6)**

**PART – B**

II. Answer **any 6** questions **not** exceeding **one** paragraph. **Each** question carries **2** marks.

- 7) Explain the concept of working capital.
- 8) What do you mean by financial planning ?
- 9) What is meant by NOI approach ?
- 10) What is meant by financial management ?
- 11) What do you mean by MM theory ?
- 12) Explain financial leverage.
- 13) Describe aging schedule.
- 14) What is debtor turnover ratio ? **(6×2=12)**

P.T.O.



## PART – C

III. Answer **any 4** questions **not** exceeding **one** page. **Each** question carries **3** marks.

- 15) Explain the functions of finance.
- 16) Discuss the need for financial planning.
- 17) Explain the limitations of trading on equity.
- 18) Explain different motives for holding cash.
- 19) What are the various ways of accelerating cash inflows ?
- 20) Explain the causes of over capitalisation. **(4×3=12)**

## PART – D

IV. Answer **any 2** questions **not** exceeding **four** pages. **Each** carries **5** marks.

- 21) Explain about determinants of dividend policy.
  - 22) Describe the need and determinants of working capital in a business.
  - 23) What is factoring ? Discuss various functions of a factor.
  - 24) The annual demand for a product is 6400 units. The unit cost is Rs. 6 and inventory carrying cost per unit per annum is 25% of the average inventory cost. If the cost of procurement is Rs. 75 determine :
    - 1) EOQ
    - 2) Number of orders/annum
    - 3) Time between two consecutive orders. **(2×5=10)**
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