

Roll No.

Total No. of Pages : 03

Total No. of Questions : 15

MBA/MBA(IB) (Sem.-2nd)

## FINANCIAL MANAGEMENT

Subject Code : MBA-205 (2012 Batch)

Paper ID : [C0250]

Time : 3 Hrs.

Max. Marks : 60

### INSTRUCTION TO CANDIDATES :

1. SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.
2. 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 and consist of ONE CASE STUDY carrying

### SECTION-A

Write briefly :

1. What is the need of financial manager?
2. What are the limitations of agency cost?
3. How gross working capital differs from net working capital ?
4. Discuss in detail venture capital.
5. Define equity capital.
6. What do you mean by capital structure ?

## SECTION-B

### UNIT-I

7. Discuss in detail objective, function and scope of financial management? (8)
8. What do you mean by long term financial resources? Discuss in detail method with which you can mobilise your financial resources. (8)

### UNIT-II

9. 'The increase in the risk premium of all stocks, irrespective of their beta, is the same, when risk aversion increase'. Comment . (8)
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, pay back period and discounted pay back period. (8)

### UNIT-III

11. What do you mean by capital structure? Discuss in detail theories of capital structure. (8)
12. Write down the following:
- A. Traditional theories of dividend policies. (4)
- B. Implications of financial leverage . (4)

### UNIT-IV

13. Define working capital. Discuss in detail objectives of working capital. What are the factor affecting the composition of working capital? (8)
14. Write detailed note on receivable management. (8)