PRN:		Course Code :	UBA301

Second Year **B.B.A.** End Semester Examination Winter 2023

Financial Management

Day and Date: Tuesday, 12/12/2023 Max Marks: **100**

Time : 2.00 to 5.00 PM Duration: **03** hrs

Instructions: All questions are compulsory.

			Marks	Bloom's Level	CLO
Q.1	**Attempt the following**				
	a)	Discuss the nature and scope of finance function.	08	L2	01
	b)	Explain the role of finance manager in an organisation.	08	L2	01
	c)	Distinguish between profit maximisation and wealth maximisation.	09	L2	01
		or			
	d)	Explain the financial planning with its steps.	09	L2	01
Q.2	**Attempt the following**				
	a)	Discuss the difference between operating and financial leverage	08	L2	02
	b)	Explain the various factors affecting capital structure.	08	L2	02
	c)	List the factors that affect capital budgeting decisions?	09	L1	02
		or			
	d)	XYZ Ltd. is considering two projects. Each project has an investment of Rs.10, 000. The firm's cost of capital is 10%. The net inflows from investments in two projects X & Y are as follows:	09	L1	02

Year	1	2	3	4	5
X(☐)	5000	4000	3000	1000	-
Y(☐)	1000	2000	3000	4000	5000

The company has fixed 3 years Payback period as the cut-off point. State which project should be accepted or not.

Q.3	**Attempt the following**				
	a)	Elaborate the concept of 'cost of debt' in detail.	08	L2	03
	b)	Discuss the concept of 'Weighted Average Cost of Capital (WACC)' in detail	08	L2	03
	c)	Briefly state the concept of 'cost of equity' with reference to dividend yield approach	09	L2	03
		or			

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	d)	Explain the concept of 'cost of debt' in detail.	09	L2	03
Q.4		**Attempt the following**			
	a)	Explain the importance and limitations of ratio analysis.	08	L2	04
	b)	Describe the computation and interpretation of liquidity ratios.	08	L2	04
	c)	Explain in detail the types of working capital.	09	L2	04
		or			
	d)	Mention the advantages of adequate working capital and disadvantages of inadequate working capital?	09	L1	04

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