	Sanjay Ghodawat University, Kolhapur Established under section 2(f) of UGC Act 1956 Sanjay Ghodawat University Act XL of 2017 of Govt. of Maharashtra	2020-21 EXM/P/09/01

Program and Year: 2021, SY B.Com	**School of Commerce and Management**	**Department of Commerce**
Course Code: CBC 201	**Course Name: FUNDAMENTALS OF FINANCIAL MANAGEMENT**	**Semester –III**
Day and Date:	**End Semester Exam**	**Time:2hrs** **Max Marks: 50**

Instructions: 1. Assume suitable data wherever necessary
2. Figures to the right indicate full marks.

	Marks	CO's (Blooms level)

Q.1 Attempt any two

a) In modern approach finance manager is concerned with to solve major problems in finance explain? — 08 — CO1(L2)

b) Discuss Wealth and Profit maximization is the objective of finance manager? — 08 — CO1(L3)

c) Robert needs Rs.24,000 at the end of Year 7. Robert will make seven end-of-year payments, with the first payment occurring one year from today. You can treat this as an annuity and calculate the FV of this annuity at the end of Year — 08 — CO2(L4)

Q.2 Attempt any two

a) Define Capital Budgeting Process and Discuss the effects of inflation on capital budgeting analysis? — 08 — CO3(L4)

b) A company is considering purchasing a machine. Two machine A & B costing Rs. 5,00,000/- each. A discounting rate of 2% is to be used and the life of machine is 5 years by SLM method of depreciation. Cash flows are as follows. — 08 — CO3(L3)

(Rs. In Lacks)

Year	Machine A	Machine B
1	1.5	0.5
2	2.0	1.5
3	2.5	2.0
4	1.5	3.0
5	1.0	2.0

Calculate 1) PBP 2) ARR

c) A company raised preference share capital of Rs.1,00,000 by the issue of 10% preference share of Rs.10 each. Find out the cost of preference share capital when it is issued at (i) 10% premium, and (ii) 10% discount — 08 — CO4(L3)

Q.3 Attempt any two

a) How do we calculate a Company's Weighted Average Cost of Capital, explain the process? — 09 — CO5(L2)

b) What is meant by the term leverage? With what type of risk is leverage generally associated? — 09 — CO5(L3)

c) A firm has sales of Rs. 10,00,000, variable cost of Rs. 7,00,000 and fixed costs of Rs. 2,00,000 and debt of Rs. 5,00,000 at 10% rate of interest. Calculate the operating, financial and combined leverages. — 09 — CO6(L5)