Sanjay Ghodawat University, Kolhapur

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

2020-21

EXM/P/09/00

Year and Program: 2021, FY PHARMAMBA	**School of Commerce and Management**	**Department: Pharma Management**
Course Code: MPM504	**FINANACIAL MANAGEMENT**	**Semester :II**
Day and Date:	**End Semester Examination**	**Time : 2 Hrs.** **Max Marks : 50**

Instructions: 1) All Questions are compulsory.

Q.1		**Answer the following**	**Marks**	**Bloom's Level**	**CO**
	a)	In most large corporations, ownership and management are separated. In view of same define the scope of financial management and analyze the role of finance manager in today's modern enterprise.	8	4	1
	b)	"Financial Planning is process of framing objectives, policies, procedures, programmes and budgets regarding the financial activities of a concern."Explain the statement with suitable example.	8	4	1
		OR			
	c)	Define cost of capital? Explain its significance in financial decision making with suitable examples.	8	4	2
Q.2		**Answer/Solve the following**			
	a)	"Indifference points refer to the EBIT level at which the EPS is same for two alternative financial plans." Illustrate the statement.	8	3	3
	b)	"Financial statements are written records that convey the business activities and the financial performance of a company." Examine the statement and explain the objectives of financial statements in this context.	8	3	4
		OR			
	c)	Following are the liquidity ratios of three companies. Company / Current Ratio / Quick Ratio X / 3:1 / 1:1 Y / 1:1 / 2:1 Z / 2:1 / 3:1 From the above analyze and make a comparison between the three	8	3	4

		companies and explain which company is doing good and why?			
Q.3		**Answer/Solve the following**			
	a)	"Operating cycle is an important concept in cash management and management of working capital." Discuss the statement by considering operating cycle process.	9	5	5
	b)	An initial investment of Rs.8,320 thousand on plant and machinery is expected to generate net cash flows of Rs.3,411, Rs.4,070, Rs.5,824 and Rs.2,065 at the end of first, second, third and fourth year respectively. At the end of the fourth year, the machinery will be sold for Rs.9000. Calculate the net present value of the investment if the discount rate is 18%.	9	5	6
		OR			
	c)	Discuss the Discounted Cash Flow methods in detail.	9	5	6

***ALL THE BEST ***