000480

PRN:		Course Code :	PBA201R

First Year **M.B.A.** End Semester Examination Winter 2024

Financial Management

Day and Date: Thu '21 NOV 2024 Max Marks: **50**

Time : 02:00PM To 04:00PM Duration: **02**Hrs

Instructions: All questions are compulsory.

			Marks	Bloom's Level	CO
Q.1	**Attempt any two from the following**				
	a)	Discuss the objectives of financial management.	06	L6	CO1
	b)	Critically examine the role of the finance manager of a firm.	06	L1	CO1
	c)	Comment on the statement "An individual's time preference of money can be expressed as a rate".	06	L5	CO1
Q.2	**Attempt any two from the following**				
	a)	Discuss the 'Discounted payback period method' as one of the crucial discounting methods.	06	L2	CO2
	b)	List down steps involved in calculation Payback for even cash inflows project	06	L1	CO2
	c)	A company is considering an investment proposal to install new milling controls at a cost of 150,000. The facility has a life expectancy of 5 years without any savage value. The firm uses SLM of depreciation and the same is used for tax purposes. The tax rate is assumed to be 35%. The estimated cashflows before depreciation and tax (CFBT) from the investment proposal are as follows:	06	L4	CO2

Years	1	2	3	4	5
CFBT (Rs)	10,000	10,692	12,769	13,462	20,385

Compute:

1) Payback period

2) Average rate of return

3) NPV at 10% discount rate

Q.3	**Attempt the following**				
	a)	Examine the factors influencing capital budgeting decision.	06	L4	CO3
	b)	Discuss the traditional theory of capital structure in detail.	07	L4	CO3
		OR			
	b)	Critically evaluate net operating income theory of capital structure	07	L5	CO3
Q.4	**Attempt the following**				
	a)	List the factors taken into account in estimation of size of working capital.	06	L1	CO4
	b)	Explain the estimation of working capital under operating cycle method	07	L2	CO4
		OR			
	b)	Examine short-term sources of working capital finance.	07	L1	CO4

Backlog