MP-107/MP-202(Old)

June - Examination 2026

Master of Business Administration (Ist Year) Examination

Financial Management

Paper : MP-107/MP-202 (Old)

[*Time: **3** Hours*] [*Maximum Marks: **80***]

Note :- The question paper is divided into three Sections A, B and C. Write answers as per the given instructions in each section.

Section-A **8×2=16**

(Very Short Answer Type Questions)

Note :- Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries **2** marks.

1. (i) Justify "Wealth" maximisation as an objective of Financial Management.
   (ii) Give two limitations of Financial Management.
   (iii) What is meant by Concentration Banking?
   (iv) What do you mean by Stringent Credit Policy?
   (v) Explain the meaning of Mutually Exclusive Decisions.
   (vi) What is risk adjusted rate of discount?
   (vii) What is scrip or bond dividend?
   (viii) Write down various types of risks.

Section-B **4×8=32**

(Short Answer Type Questions)

Note :- Answer **any four** questions. You have to delimit your each answer maximum up to **200** words. Each question carries **8** marks.

2. Write down rationale of Time Value of Money.
3. Discuss salient features of a Stable Dividend Policy and point out its merits.
4. "Retained earnings is a source of capital without cost". What is your views? Explain with reasons.
5. Discuss the main functions of Financial Management.
6. Explain "Trading on Equity".
7. "Working capital to a business is what blood circulation is for human body"? Explain.
8. From the following data, calculate Operating, Financial and Combined leverage - Interest ₹ 10,000, Sales 5,000 units @ ₹ 20 per unit and Variable Cost ₹ 4 per unit; Fixed Cost ₹ 20,000.
9. Write notes on the following :
   (i) Credit Standards
   (ii) Credit Terms

Section-C

2×16=32

(Long Answer Type Questions)

Note :- Answer **any two** questions. You have to delimit your each answer maximum up to **500** words. Each question carries **16** marks.

10. Explain Payback period, Post pay back profitability and Average rate of return with examples.

11. Calculate P/V ratio, BEP, Sales to earn profit ₹ 50,000, Profit at a sales ₹ 5,00,000, from the following :

    Sales per unit ₹ 50, Variable cost per unit ₹ 25, Fixed cost ₹ 80,000.

12. Explain in detail ABC analysis of Inventory Control.

13. How will you determine working capital of a company by Operating Cycle Method?
