

MP-202(Old)/MP-107

December - Examination 2019

**Master of Business Administration - I Year
Examination****Financial Management****Paper - MP-202(Old)/MP-107****Time : 3 Hours]****[Max. Marks :- 80**

Note: The question paper is divided into three sections A, B and C. Write answers as per given instructions.

Section - A**8 × 2 = 16****(Very Short Answer Questions)**

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

1. Explain the following terms within 30 words each :
 - i. Profit maximization
 - ii. Networking Capital
 - iii. Capital Gains
 - iv. Intrinsic Value of Stock
 - v. Market Capitalization
 - vi. Net Present Value
 - vii. Warrant
 - viii. Public Issue

Section - B**4 × 8 = 32****(Short Answer Questions)**

Note: Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 8 marks.

2. Describe the nature and scope of financial management.
3. Explain profit maximization and wealth maximization objectives of a firm.
4. What are the main measures of dividend? Explain.
5. Describe the decision tree approach for capital budgeting.
6. Discuss the advantages and disadvantages of Rights Issues.
7. Distinguish between operating leverage and financial leverage.
8. Describe the basic propositions of the Modigliani and Miller theory.
9. Explain the methodology for calculation of Break-Even point.

Section - C**2 × 16 = 32****(Long Answer Questions)**

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

10. Discuss various schools of thought on dividend policy for share holders.
11. Why is a preference share called a hybrid security? Explain.
12. Discuss the relationship between EBIT and EPS.
13. Discuss various methods of Capital Budgeting.