

MP-202(Old)/MP-107

June - Examination 2018

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) (i) What is financial management?
- (ii) What do you mean by Profit Maximization?
- (iii) What is the concept of working capital cycle?
- (iv) What is Dividend?
- (v) Define the Capital Structure.
- (vi) What is EBIT–EPS analysis?
- (vii) Define cost of capital.
- (viii) Difference between profit and cash flow.

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) Define Break - Even - Point. How would you compute the Break - even - point? Discuss.
- 3) What is a Debenture? Explain the features of Debentures.
- 4) What are the different sources of long term loan? Discuss.
- 5) Explain the principle motives for holding cash.
- 6) What is M.M. model? Write its assumptions.
- 7) What are the essentials of Walter's dividend model? Discuss.
- 8) What is the Net Operating Income Approach? Explain.
- 9) What is an EBIT - EPS analysis? Illustrate your answer.

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) In what ways is the wealth maximization objective superior to the profit maximization objective. Explain.
- 11) “The time value of money is important in financial decision making.” Why?
- 12) From the following data relating to ABC Ltd., Calculate Break even point:

Sales (12000 units @ Rs.10/-)	1,20,000
Less: Variable cost @ Rs.8/-	96,000
Contribution	24,000
Less Fixed Cost	8,000
Net Profit	16,000

Provide BEP in units and in Rs.

- 13) What do you understand by Receivables Management? Explain its objectives.
