MP-202(Old)/MP-107

June - 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 the given instructions.

Section - A $8 \times 2 = 16$
(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 up to 30 words. Each question carries 2 marks.

1. Explain the following terms within 30 words each :

   (i) Investment Decision

   (ii) Wealth Maximization

   (iii) Permanent Working Capital

   (iv) Liquidity Preference Theory

   (v) Bonus Share

(vi) Net Present Value

(vii) Capital Rationing

(viii) Public Issue

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Section - B $4 \times 8 = 32$

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

2) Describe the objectives of Financial Management.

3) Explain various techniques used for inventory management.

4) Explain the concept of Cost of Capital as a basis for corporate investment and financial decisions.

5) Examine the Modigliani and Miller (MM) Theory and its relevance in Financial Management.

6) Discuss the relationship between EBIT and EPS.

7) What is a debenture? Explain the features of a debenture.

8) How are Cash flows of two years in absolute terms incomparable? Explain.

9) How is risk assessed for a particular investment by using a probability distribution? Explain.

Section - C $2 \times 16 = 32$
(Long Answer Questions)

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

10) Examine the scope of Financial Management and highlight the functions of a Finance Manager.

11) Explain the objectives, limitations and methods of calculating Break-Even point.

12) Is the adjustment of time relatively more important for financial decisions with short-range implications or for decisions with long-range implications? Explain.

13) Examine various methods of evaluation of Capital Budgeting proposals.

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