

6. Define cost of capital. How will you calculate cost of capital ? Give examples.
7. Calculate :
- Contribution per unit
 - BEP
 - Margin of Safety
 - Profit
 - Volume to sales to earn a Profit of ₹ 24,000 from the following :

	₹
Total Fixed Cost	18,000
Total Variable Cost	30,000
Total Sales	60,000
Unit Sold	20,000

8. Describe the concept of Time Value of Money. Give Advantages and Limitations.
9. What is Capital Budgeting ? Explain in brief the techniques of Capital Budgeting.

MP-107/MP-202 (Old)

June – Examination 2022

Master of Business Administration (Ist Year) Examination

Financial Management

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

Time : 1½ Hours]

[Maximum Marks : 80

Note :- The question paper is divided into two Sections A and B. Write answers as per the given instructions.

Section-A

4×4=16

(Very Short Answer Type Questions)

Note :- Answer any *four* 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 4 marks.

1. (i) What is Wealth Maximisation ?
- (ii) Define Current Assets.
- (iii) Define Operating Cycle.
- (iv) Give formula of EOQ.
- (v) What is Contribution ?
- (vi) Define Financial Leverage.
- (vii) Define Payback Method.
- (viii) What is Conservative Dividend Policy ?

Section-B **4×16=64**

(Short Answer Type Questions)

Note :- Answer any *four* questions. Answer should not exceed **200** words. Each question carries 16 marks.

2. What is Working Capital ? Describe the factors determining the amount of Working Capital.

MP-107/MP-202 (Old)/4 (2)

T-554

3. The components of X and Y are used as follows :

Normal usage	600 units per week each
Maximum usage	900 units per week each
Minimum usage	300 units per week each
Reorder Quantity	X = 4,800 units Y = 7,200 units
Reorder Period	X = 4 to 6 weeks Y = 2 to 4 weeks

Calculate :

- (i) Reorder level
 - (ii) Maximum level
 - (iii) Minimum level
 - (iv) Average stock level
4. Explain Modigliani and Miller theory.
 5. How is Break-even Point computed ? Explain with examples.

MP-107/MP-202 (Old)/4 (3)

T-554 Turn Over