



QP CODE: 24803700



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Reg No :

Name :

M.B.A. DEGREE EXAMINATION, JUNE 2024

Second Semester

Faculty of Management Science

MASTER OF BUSINESS ADMINISTRATION

Core - MB010201 - FINANCIAL MANAGEMENT

2019 Admission Onwards

E1FE2F2C

Time: 3 Hours

Maximum Marks: 60

Part A

*Answer any **five** questions. Each question carries **2** marks.*

1. What do you mean by Annuity?
2. Write a note on lock box system.
3. What is deposit float?
4. What is the relevance of cost of capital in capital structure decisions?
5. How EBIT of a firm is derived?
6. Distinguish between bond dividend and stock dividend
7. What is Memorandum of Understanding?

(5×2 = 10 Marks)

Part B

*Answer any **five** questions. Each question carries **6** marks.*

8. Assuming wealth maximisation to be the objective of the financial management, show how the financing, investment and dividend decisions of a company can help to attain this objective.
9. Discuss the different concepts of working capital.
10. Briefly discuss direct and indirect sources of funds for corporate entities.
11. Illustrate EBIT-EPS analysis as an approach to design capital structure
12. What is Pay back period? Do you agree that pay back method is a test of liquidity?





13. Write a note on CAPM
14. Discuss in detail Mergers and Demergers with Examples.

(5×6 = 30 Marks)

Part C

*Answer any **two** questions. Each question carries **10** marks.*

Question number 17 is compulsory .

15. A project costs Rs.6,00,000/- and has a scrap value of Rs.2,00,000/-.Its stream of income before depreciation and taxes during first year through five years is Rs.1,20,000/-,1,40,000/-,1,70,000/-,1,80,000/- and Rs.2,00,000/-.Assume a 50 % tax rate and depreciation on straight line basis.Calculate the Accounting Rate of Return for the project.State whether you recommend the project for investment if the management anticipates a rate of return of 10%?
16. Discuss in detail the main objectives of dividend policy and various forms of dividend policy

Compulsory Question

17. Elaborate on the approaches used in Working Capital Management for deterring appropriate financing mix.

(2×10 = 20 Marks)

