

**S.D.E.**  
**B.B.A. (2006 Course) Sem- IV : SUMMER - 2019**  
**SUBJECT: FINANCIAL MANAGEMENT**

Day : Saturday  
Date : 18/05/2019

**S-2019-4910**

Time : 10.00 AM TO 1.00 PM  
Max. Marks: 80

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**N.B.**

- 1) Attempt **ANY FIVE** questions from **Section-I**
  - 2) Attempt **ANY TWO** questions from **Section-II**
  - 3) Figures to the **RIGHT** indicate full marks.
  - 4) Use of Non programmable **CALCULATOR** is allowed.
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**SECTION - I**

- Q.1** Elaborate the functions of Chief Financial officer(CFO) in Globalized Environment. (10)
- Q.2** Explain the following: (10)  
a) Payback Period  
b) Operating Leverage
- Q.3** What do you mean by Financial Management? Explain Scope of Financial Management. (10)
- Q.4** Discuss various factors affecting Dividend Decisions . (10)
- Q.5** Write a detailed note on the concept of Capital Structure. (10)
- Q.6** Elaborate the provisions regarding Dividend under Companies Act ,1956. (10)
- Q.7** Write Short notes on **ANY TWO** of the following: (10)  
a) Time value of Money  
b) Debentures  
c) Shares

P.T.O.

## SECTION-II

**Q.8** Explain the concept, nature and significance of Capital Budgeting. **(15)**

**Q.9** Calculate the Operating leverage, Financial leverage and Combined Leverage **(15)** from the following details.

Selling price per Unit	Rs. 120
Variable cost per Unit	Rs. 80
Fixed Cost	Rs. 4,00,000
Sales	20,000 Units

The Capital Structure of the company under alternative Financing Plan is as follows:

Particulars	Plan I (Rs.)	Plan II (Rs.)
Equity Capital	20,00,000	10,00,000
16 % Debentures	10,00,000	20,00,000
Total	30,00,000	30,00,000

**Q.10** A firm whose cost of capital is 10 % is considering two mutually exclusive proposals A and B, the details of which are as follows. **(15)**

Particulars	Proposal A	Proposal B
Initial Investments	12,00,000	12,00,000
Projected Cash Inflows		
1 <sup>st</sup> Year	2,00,000	1,50,000
2 <sup>nd</sup> Year	2,50,000	3,50,000
3 <sup>rd</sup> Year	4,50,000	4,00,000
4 <sup>th</sup> Year	5,50,000	6,00,000
5 <sup>th</sup> Year	7,50,000	7,50,000

The discounted rate Selected by the firm are-

Year	1	2	3	4	5
DCF	0.909	0.826	0.751	0.683	0.620

Calculate:

- a) Pay Back Period
- b) Profitability Index
- c) Net Present Value

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