

S.D.E.

M.B.A. (I.T.) Sem-IV (2013 Course) : WINTER - 2018
SUBJECT : FINANCIAL MANAGEMENT AND CONTROL

Day : Friday
Date : 07/12/2018

W-2018-4699

Time : 02.00 PM TO 05.00 PM
Max. Marks : 70

N. B. :

- 1) Attempt **ANY THREE** questions from Section – I and **ANY TWO** questions from Section – II.
- 2) Answer to both the sections should be written in **SEPARATE** answer book.
- 3) Figures to the right indicate **FULL** marks.
- 4) Use of calculator is **ALLOWED**.

SECTION - I

- Q. 1** Explain the Objectives and Scope of Financial Management. (14)
- Q. 2** Explain the sources of Short Term Finance. (14)
- Q. 3** Write a detail note on Ratio Analysis. (14)
- Q. 4** What are the factors to be considered to decide 'Dividend Policy' of the company? (14)
- Q. 5** Write short notes on : (ANY TWO) (14)
- a) Cash flow Analysis
 - b) Receivables Management
 - c) WACC
 - d) Optimum Capital Structure

SECTION - II

- Q. 6** Nisar Ltd. is considering purchase of machinery. The following data is available for Machine A and Machine B. (14)

Year	Machine A Cash flow (Rs)	Machine B Cash flow (Rs)
0	(1,75,000)	(2,00,000)
1	50,000	70,000
2	65,000	80,000
3	78,000	82,000
4	92,000	1,04,000
5	1,04,000	1,02,000

The company's cost of capital is 10 %. The discounting factors are 0.909, 0.826, 0.751, 0.683, 0.621

P. T. O.

You are required to suggest the company which machinery should be purchased by following techniques:

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

Q. 7 Estimate working capital required from the data of Nihar Ltd. **(14)**

Particulars	Cost per unit
Raw material	20
Labour	10
Overheads	40
	<u>70</u>

Projected Sales 80,000 units @ Rs. 100/-
Additional information:

- i) Debtors pay after 6 weeks
- ii) Creditors are paid after 4 weeks
- iii) Finished stock 5 weeks
- iv) Production and processing time 4 weeks
- v) Wages are paid once in 4 weeks
- vi) The company keeps contingency 10 % of working capital
- vii) Assume cash balance Rs. 1,80,500/-

Q. 8 Explain the following sources of Long Term Finance: **(14)**

- a) Equity Shares
- b) Debentures

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