

S.D.E.
M.B.A. Sem-II (2013 Course) : WINTER - 2018
SUBJECT: FINANCIAL MANAGEMENT

Day : Friday
Date : 30/11/2018

W-2018-4551

Time: 02.00 PM TO 05.00 PM
Max Marks: 70

N.B

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

SECTION - I

- Q.1** Define Financial Management? Explain scope and functions of Financial Management. (14)
- Q.2** Elaborate upon the techniques of capital Budgeting. (14)
- Q.3** Write a note on following sources of Long term Finance (14)
i) Equity Shares ii) Debentures
- Q.4** Distinguish between funds Flow statement and cash Flow statement with suitable examples. (14)
- Q.5** Write short notes on **ANY TWO** of following: (14)
a) Financing Decision
b) Types of Working Capital
c) Weighted Average Cost of Capital

SECTION - I

- Q.6** Samruddhi Ltd is considering investing in a project that is expected cost Rs 10, 00,000. The projected cash inflows are as under (14)

Year	1	2	3	4	5
Cash Inflows	250000	300000	400000	450000	650000

Calculate :-

- i) Pay- back Period
- ii) Net Present Value if cost of capital is 10%
- iii) Profitability index if cost of capital is 12%

- Q.7** Tanmay Manufacturing Ltd has the following cost structure. (14)

Particulars	Cost Per Unit Rs
Raw Material	50
Direct Labor	20
Overheads (including Depreciation of Rs 10.	40
Total Cost	110
Profit	30
Selling Price	140

Additional Information :

- i) Raw Material are in stock on an average for one & half month
 - ii) Average work in process period is one month
 - iii) Finished goods are in Stock for average Two months.
 - iv) Credit allowed by suppliers Two months
 - v) Credit allowed to customers one month.
 - vi) Lag in payment of wages and overheads one month
- Assume that production is carried out evenly throughout the year, and estimated annual production is 5000 units.
Calculate working capital requirements when estimated cash balance is Rs, 100000/-.

- Q.8** What is Capital Structure? Discuss the factors affecting capital structure. (14)