

BACHELOR OF BUSINESS ADMINISTRATION (CBCS - 2018 COURSE)
B.B.A. Sem-III : WINTER : 2021
SUBJECT: INTRODUCTION TO FINANCIAL MANAGEMENT

Day : Thursday
Date : 13-01-2022

W-18826-2021

Time : 10:00 AM-01:00 PM
Max. Marks: 60

N.B.

- 1) Attempt **ANY THREE** questions from Section – I and **ANY TWO** questions from Section – II.
- 2) Figures to the **RIGHT** indicate **FULL** marks.
- 3) Answers to both the sections should be written in the **SAME** answerbook.

SECTION – I

- Q.1** Define the term 'Finance'. Explain the scope of Finance Functions. (10)
- Q.2** Elucidate the role of Finance Manager in globalized environment. (10)
- Q.3** Explain the meaning, types and merits of Preference Shares. (10)
- Q.4** Define the term 'Working Capital'. Explain the sources of financing Working Capital. (10)
- Q.5** Write short notes on **ANY TWO** of the following. (10)
- a) Dividend Decision
 - b) Operating Cycle
 - c) Wealth Maximization Objective

SECTION – II

- Q.6** Suraj Ltd. has currently, under examination a project costing Rs. 60,000, which is expected to yield the following cash inflows over the life of the project : (15)

Year	Cash Inflows Rs.
1	15,000
2	20,000
3	30,000
4	20,000

You are required to calculate :

1. Net Present Value @ 10% discount rate.
2. Profitability Index @ 10% discount rate.
3. Internal Rate of Return for the Project.

Note : Discount Factors @ 10% of discount rate:

Year	1	2	3	4	5
Discount factor	0.909	0.826	0.751	0.683	0.621

Q.7 A simplified Income Statement of Zenith Ltd. is given below :

(15)

Particulars	Amount Rs.
Sales	10,50,000
Variable cost	7,67,000
Fixed cost	75,000
EBIT	2,08,000
Interest	1,10,000
Taxes (30%)	29,400
Net Income	68,600

Calculate :

- 1) Operating Leverage
- 2) Financial Leverage
- 3) Combined Leverage

Q.8 What do you mean by 'Capital Structure'? State and explain the factors to be considered while framing Capital Structure of an Organisation. **(15)**

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