

**BACHELOR OF BUSINESS ADMINISTRATION (CBCS - 2018 COURSE)**

**B.B.A. Sem-III : : SUMMER - 2022**

**SUBJECT : INTRODUCTION TO FINANCIAL MANAGEMENT**

Day : Saturday

Date : 28-05-2022

**S-18826-2022**

Time : 02:00 PM-05:00 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) Both the sections should be written in **SAME** answer books.

**SECTION - I**

- Q.1** Describe the role of Finance Manager in globalized environment in detail. **(10)**
- Q.2** State and explain the meaning, types and merits of Debentures. **(10)**
- Q.3** Elaborate the factors to be considered while framing the Capital Structure of an Organization. **(10)**
- Q.4** Define the term 'Working Capital'. Explain in detail the various sources of financing working capital. **(10)**
- Q.5** Write short notes on **ANY TWO** of the following : **(10)**
- a) Operating Leverage and Financial Leverage
  - b) Types of Preference Shares
  - c) Time Value of Money

**SECTION - II**

- Q.6** Suraj Ltd., is considering a project for an investment. Following details are available about the project. **(15)**

Year	Cash flows Rs.
0	44,00,000
1	20,75,000
2	18,50,000
3	14,80,000
4	18,30,000
5	16,30,000

Calculate :

- i) Pay Back Period
  - ii) Net Present Value @ 10% discount rate
  - iii) Profitability Index @ 10% discount rate
- Note : Discount factor @ 10 % discount rate:

Year	1	2	3	4
Discount Factor	0.909	0.826	0.751	0.683

**P.T.O.**

**Q.7** A firm has the following capital structure and after-tax costs for the different sources of funds used: (15)

Source of funds	Amount Rs.	Proportion %	After tax cost %
Debt	15,00,000	25	5
Preference shares	12,00,000	20	10
Equity shares	18,00,000	30	12
Retained Earnings	15,00,000	25	11
<b>Total</b>	<b>60,00,000</b>	<b>100</b>	<b>-</b>

You are required to compute the Weighted Average Cost of Capital.

**Q.8** Explain the determinants of Working Capital and describe the “Operating Cycle” with a suitable diagram. (15)

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