

ADDITIONAL EXAM FOR SPORT STUDENTS
BACHELOR OF BUSINESS ADMINISTRATION (CBCS - 2018 COURSE)
B.B.A. Sem-III MM : WINTER- 2022
SUBJECT : INTRODUCTION TO FINANCIAL MANAGEMENT

Day : Thursday

Time : 02:00 PM-05:00 PM

Date : 12/1/2023

W-18826-2022

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** What is Financial Management? Explain scope of Financial Management in detail. (10)
- Q.2** Define the term “Working Capital” and describe the Determinants of Working Capital in detail. (10)
- Q.3** Elaborate in detail the meaning types and merits of Debentures. (10)
- Q.4** What is Cost of Capital? Elaborate the concept of Component and Composite Cost of Capital. (10)
- Q.5** Write short notes on (ANY TWO): (10)
- a) Capital structure
 - b) Operating cycle
 - c) Time value of money

SECTION-II

- Q.6** A company is considering two projects A and B. The following data are available. (15)

	Project A	Project B
Initial Investment	Rs.1,40,000	Rs.1,40,000
Year/ Cash Flows		
1	20,000	1,00,000
2	40,000	80,000
3	60,000	40,000
4	1,00,000	20,000
5	1,10,000	20,000

P.T.O.

Cost of capital is 12%,
 Discounting Factors at 12% are: (0.893, 0.797, 0.712, 0.636, 0.567)
 Calculate: i) Discounted Payback Period ii) Net Present Value
 iii) Profitability Index
 Recommend the most suitable project for the company by using above methods

Q.7 From the following information you are required to calculate the amount of **(15)**
 working capital

	Cost Per Unit (Rs.)
Raw Material	40
Direct Labour	20
Over Heads	16
Total Cost	76
Profit	24
Selling Price	100

The following other particulars are available

1. Total Units to be produced in a year 24,000 units
2. Customers are allowed 6 weeks credit
3. Supplies are allowing 4 weeks credit
4. Finished goods remain in stock for one month
5. Raw materials in stock for one month
6. Wages are paid with a time lag of one month

Q.8 Explain the concept of Leverage by elaborating Operating Financial and **(15)**
 Combined Leverage in detail.

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