

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

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

**SUBJECT : INTRODUCTION TO FINANCIAL MANAGEMENT**

Day : Friday

Time : 02:00 PM-05:00 PM

Date : 2/12/2022

**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** Explain the meaning, nature and scope of Finance Functions. (10)
- Q.2** Write a detailed note on Profit Maximization objective of Financial Management. (10)
- Q.3** State and Explain the Meaning, Types and Merits of Preference Shares. (10)
- Q.4** Define the term 'Working Capital'. Explain the determinants of working capital. (10)
- Q.5** Write short notes on **ANY TWO** of the following : (10)
- a) Operating Cycle
  - b) Wealth Maximization Objective
  - c) Public Deposits

**SECTION - II**

- Q.6** Neeraj Ltd., has currently under consideration a project costing Rs. 1,20,000, which is expected to yield the following cash inflows over the life of the project. (15)

Year	Cash Inflows Rs.
1	30,000
2	40,000
3	60,000
4	40,000

You are required to calculate:

- i) Net Present Value @ 10% discount rate
- ii) Profitability Index @10% discount rate
- iii) Internal Rate of Return for the project

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 Following information is taken from the records of a hypothetical company: (15)

Installed capacity	1,000 Units
Operating capacity	800 Units
Selling price per unit	Rs. 10
Variable cost per unit	Rs. 7

Calculate the Operating Leverage under the following situations:

<b>Fixed cost:</b>	<b>Rs.</b>
Situation : A	800
Situation : B	1,200
Situation : C	1,500

Q.8 What is the meaning of 'Dividend Policy'? Explain the factors affecting Dividend Decision. (15)

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