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Question Paper Code	12286
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MBA - DEGREE EXAMINATIONS, NOV / DEC 2023

Second Semester

Master of Business Administration

20MBT201 - FINANCIAL MANAGEMENT DECISION AND APPLICATION

(Regulations 2020)

Duration: 3 Hours

Max. Marks: 100

PART - A (10 × 2 = 20 Marks)

Answer ALL Questions

*Marks,
K-Level, CO*

- | | |
|---|----------|
| 1. Define Financial Management. | 2,K1,CO1 |
| 2. What is mean by Time Value of Money? | 2,K1,CO1 |
| 3. State the meaning of Capital Budgeting. | 2,K2,CO2 |
| 4. Explain Cost of Capital. | 2,K2,CO2 |
| 5. Identify the different forms of Dividend. | 2,K1,CO3 |
| 6. What is mean by Capital Structure? | 2,K1,CO3 |
| 7. Define Trade credit. | 2,K1,CO4 |
| 8. Can you give a brief note on Treasury Bills? | 2,K1,CO4 |
| 9. Write short note on ADR and GDR. | 2,K1,CO5 |
| 10. What is mean by EURO Equity? | 2,K1,CO5 |

PART - B (5 × 13 = 65 Marks)

Answer ALL Questions

- | | |
|---|-----------|
| 11. a) Explain the objectives of finance. | 13,K2,CO1 |
| OR | |
| b) Discuss the role of Finance Managers in the current emerging business scenario. | 13,K2,CO1 |
| 12. a) Elaborate the various Capital Budgeting Techniques in selection of project proposals. | 13,K4,CO2 |
| OR | |
| b) SS Ltd has paid up equity capital 60,000 equity shares of Rs.10 each the current market price of shares is Rs.24. During the current year, the company has declared a dividend of Rs.6 per shares. The company has also previously issued 14% preference shares of Rs.100 each aggregating Rs.3,00,000 at 5% discount and 13% debentures of Rs.100 each for Rs.5,00,000. The corporate tax rate is 40% the growth rate in dividends on equity shares is expected at 5%. Show the overall cost of capital of the company. | 13,K4,CO2 |

13. a) Explain the various types of leverages with examples. *13,K5,CO3*
- OR**
- b) Discuss the present dividend policy practices followed by Indian corporate and MNC's. *13,K5,CO3*
14. a) What are the various factors in determining Working Capital of a firm? Explain. *13,K1,CO4*
- OR**
- b) Can you list the various basic problems in the cash management and Inventory Management in Corporate company? *13,K1,CO4*
15. a) Can you explain lease financing? How does it differ from a hire purchase? What are the cash flows consequences of a lease? Illustrate. *13,K1,CO5*
- OR**
- b) List and explain the different classification of shares traded in stock exchanges. *13,K1,CO5*

**PART - C (1 × 15 = 15 Marks)
(Compulsory)**

16. a) A company is considering an investment proposal to purchase a machine costing Rs. 5,00,000. The machine has a life expectancy of 5 years and no salvage value. Company's tax rate is 40%. It uses straight line method for providing depreciation. The estimated cash flows before tax after depreciation from the machine are as follows: *15,K4,CO2*

Year	CFBT	PV@10%
1	1,20,000	0.909
2	1,40,000	0.826
3	1,80,000	0.751
4	2,00,000	0.683
5	3,00,000	0.621

Calculate: (a) Pay Back Period (b) Average Rate of Return (c) Present Value and Profitability Index @ 10% discount rate.