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IV Semester B.B.A./B.B.A (Aviation). Degree Examination July/August - 2024**BUSINESS ADMINISTRATION****Financial Management****(CBCS NEP Scheme)****Paper : 4.3****Time : 2½ Hours****Maximum Marks :60****Instructions to Candidates:****Answer should be written in English only.****SECTION -A****Answer any Five of the following questions. Each question carries 2 marks.****(5×2=10)**

1. a) What is finance?
- b) What is capital structure?
- c) What do you mean by financial leverage?
- d) What is dividend?
- e) The investment of a firm Rs. 1,50,000, scrap value is 10% life of the project is 4 years calculate Depreciation.
- f) A Company profit After Depreciation and Tax is Rs. 4,00,000, working capital Rs. 50,000, Investment is Rs. 5,00,000. scrap value is 10% calculate A.R.R.
- g) Give a meaning of working capital.

SECTION - B**Answer any Four of the following questions. Each question carries 5 marks.****(4×5=20)**

2. Briefly explain Goals of financial management.
3. What is bonus share? State advantages and disadvantages of Bonus Shares.
4. From the following information you are require to calculate all 3 types of leverages.

[P.T.O.]



Sales Rs. 15,00,000 , variable cost is 30%, fixed cost Rs. 3,00,000, 14% debenture capital of Rs. 10,00,000 , tax rate is 40%.

5. The information given below is related to B.S.K LTD.

Years	:	1	2	3	4
Cash in flow	:	Rs. 20,000	Rs. 30,000	Rs. 40,000	Rs. 50,000

Calculate pay back period if Investment is Rs. 70,000.

6. MR. Kumar deposits Rs. 6000 at the end of every year for five years and the deposit earns compound interest @ 12% p.a. Determine how much money he will have at the end of 5 Years.

SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. Explain the factors influencing dividend policy.
8. Mohith Co. LTD operates its business with a equity capital of Rs. 10,00,000 at the rate of Rs. 100 each. The Co. wishes to rise further Rs. 10,00,000 with the following 3 alternative plans.
- All Debenture capital at 10% interest rate.
 - Rs. 5,00,000 from equity and Rs 5,00,000 from 10% Debenture capital.
 - Rs 5,00,000 from equity and Rs 5,00,000 from 12% preference share capital. Determine E.P.S of each plan and surrgest which is best plan. If E.B.I.T is Rs 4,00,000 and tax rate is 50%.
9. Janya Company is considering purchase of new machine, two alternative is available each costing Rs. 5,00,000. The expected cash in flow is as under.

Year	Machine Ram	Machine Sham
	Rs	Rs
1	1,00,000	1,40,000
2	1,50,000	1,50,000
3	2,00,000	1,60,000
4	2,50,000	1,80,000



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Calculate (1) payback period and Net present value (N.P.V) using following.

Discount factor

year	:	1	2	3	4
Discount factor	:	0.909	0.826	0.751	0.684

SECTION - D

Answer any ONE of the following question . Which question carries 6 marks.(1×6=6)

10. Prepare a chart showing organizations structure of Finance Department.
 11. Prepare a working capital statement using imaginary values.
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