

4 MJ 20111

FOUR YEAR B.B.A. (CBCS) DEGREE EXAMINATION, APRIL/MAY 2025.

FOURTH SEMESTER

Major

Course 11 – FINANCIAL MANAGEMENT

(w.e.f. 2023–24 Admitted Batch)

Time : Three hours

Maximum : 70 marks

(No additional sheet will be supplied)

SECTION A — (5 × 4 = 20 marks)

Answer any FIVE of the following.

1. What is the risk-return trade-off?
2. Differentiate between profit and wealth maximization.
3. List traditional capital budgeting techniques.
4. Why is risk analysis important in capital budgeting?
5. Define leverage and its types.
6. Mention the key determinants of capital structure.
7. What are the types of dividend policies?
8. Why are retained earnings important?
9. What factors affect working capital needs?
10. Why is cash management crucial?

SECTION B — (5 × 10 = 50 marks)

Answer ALL questions.

11. Discuss the role of a financial manager in modern business.
Or
12. Explain the functions and significance of financial management.
13. A project requires Rs. 2,00,000 investment and generates Rs. 60,000 annually for five years. Find out payback period.
Or
14. Explain discounted cash flow methods of capital budgeting.

15. Compare Net Income and Net Operating Income approaches to capital structure.

Or

16. Explain the significance of EBIT-EPS analysis.

17. Explain the following concepts:

- (a) Dividend per share
- (b) Return on investment
- (c) Bonus shares and
- (d) Dividend policy

Or

18. Explain Gordon's Model and its assumptions.

19. A company has current assets of Rs. 6,00,000, liabilities of Rs. 3,50,000, and inventory of Rs. 2,00,000. Calculate current and quick ratios.

Or

20. Explain key inventory control techniques.
