



Paper Id: 252168

Printed Page: 1 of 2
Subject Code: BMB204

Roll No:

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MBA
(SEM II) THEORY EXAMINATION 2024-25
FINANCIAL MANAGEMENT & CORPORATE FINANCE

TIME: 3 HRS

MARKS: 70

Note: Attempt all Sections. In case of any missing data; choose suitably.
SECTION A

1. Attempt all questions in brief. 02 x 7 = 14

Q no.	Question
a.	What is the role of financial markets in economic development?
b.	Why is opportunity cost important in decision-making?
c.	What is the point of indifference in financial management?
d.	How is cash dividend different from stock dividend?
e.	What is the principle of matching maturity in working capital management?
f.	Give two example of how Indian financial markets are influenced by global markets
g.	Name any two capital budgeting techniques.

SECTION B

2. Attempt any three of the following: 07 x 3 = 21

a.	Compare and contrast the money market and capital market with suitable examples.
b.	Discuss the components of a cash flow statement and explain their significance in financial analysis.
c.	How do dividend decisions impact the market price of shares under relevance theory?
d.	Discuss various dividend policies followed by companies. How do they impact investor perception?
e.	Explain the impact of working capital management principles on the financial health of a business.

SECTION C

3. Attempt any one part of the following: 07 x 1 = 07

a.	Discuss the role of a finance manager in a company. How does he/she apply corporate finance concepts?
b.	Discuss how macroeconomic indicators such as GDP, inflation, and interest rates impact financial markets.

4. Attempt any one part of the following: 07 x 1 = 07

a.	What are the major considerations involved in making capital investment decisions?
b.	Explain the need for incorporating risk analysis in long-term investment decisions.

5. Attempt any one part of the following: 07 x 1 = 07

a.	Explain how financial leverage affects EPS under different levels of EBIT.
b.	Discuss how a firm can use leverage to enhance shareholders' earnings. What are the associated risks?



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6. Attempt any *one* part of the following:

07 x 1 = 07

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|----|---|
| a. | How does Bird-in-Hand theory influence investor behavior toward dividend-paying stocks? |
| b. | How do Walter and Gordon justify that dividend decisions affect the value of a firm? Explain. |

7. Attempt any *one* part of the following:

07 x 1 = 07

- | | |
|----|--|
| a. | How does the length of the working capital cycle affect business operations and profitability? |
| b. | What are the factors a firm must consider before designing an effective credit policy? |

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