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**MBA(Integrated)**  
**(SEM IV) THEORY EXAMINATION 2023-24**  
**FINANCIAL MANAGEMENT**

TIME: 3 HRS

M.MARKS: 100

Note: 1. Attempt all Sections. If require any missing data; then choose suitably.

## SECTION A

1. Attempt all questions in brief.

Qno.	Question	Marks	CO
a	What do you mean by Financial Management?	2	
b	What do you mean by Declining firm?	2	
c	Explain the Concept of Financial Leverage.	2	
d	What is 'Trading on Equity'?	2	
e	What is capital budgeting?	2	
f	What is weighted average cost of capital?	2	
g	What is dividend payout ratio?	2	
h	What do you mean by relevance of dividend?	2	
i	What is permanent working capital?	2	
j	Why organizations holding cash?	2	

## SECTION B

2. Attempt any three of the following:

a.	Define the scope of financial management. What role should the financial manager plan in the modern enterprise?	10	
b.	What do you mean by Capital Budgeting? Also discuss the objectives of Capital Budgeting.	10	
c.	What do you mean by preference shares? Also discuss various types of preference shares.	10	
d.	What is cash management? Also discuss various cash management models.	10	
e.	What are the factors that affect the requirements of Working capital?	10	

## SECTION C

3. Attempt any one part of the following:

a.	"The goal of profit maximization does not provide us with an operationally useful criterion." Comment.	10	
b.	What do you understand by time value of money?	10	

4. Attempt any one part of the following:

a.	Define operating leverage and financial leverage. How these leverages are measured?	10	
b.	Which method is best—NPV or IRR? Clearly discuss.	10	

5. Attempt any one part of the following:

a.	What do you mean by optimum capital structure? Clearly discuss.	10	
b.	A Ltd wants to raise Rs. 1, 00,000 as capital. The company expects earnings before interest and taxes (EBIT) Rs. 40,000 per annum. The management is considering the following alternatives for raising the	10	

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