

Roll No.

BBA-402(N)

B. B. A. (Fourth Semester) EXAMINATION, May, 2018

(New Course)

Paper Second

FINANCIAL MANAGEMENT

Time : Three Hours]

[Maximum Marks : 70

Note : Attempt questions from all Sections as directed.

Inst. : The candidates are required to answer only in serial order. If there are many parts of a question, answer them in continuation.

Section—A

(Short Answer Type Questions)

Note : All questions are compulsory. Each question carries 3 marks.

1. (A) Differentiate between long-term assets and short-term assets.
- (B) Differentiate between Equity shares and debenture.
- (C) Differentiate between term loan and overdraft.
- (D) Differentiate between Accounting rate of return and Payback period.

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- (F) Differentiate between promissory note and bill of exchange.
- (G) Differentiate between trade discount and cash discount.
- (H) Differentiate between coupon rate of interest and effective rate of interest.
- (I) Differentiate between Annuity and Probability.
- (J) Differentiate between Current Account and Savings Account of bank.

Section—B

(Long Answer Type Questions)

Note : Attempt any two questions. Each question carries 10 marks.

2. Write short notes on the following :
What are the objectives of financial management ?
What are the various functions performed by a finance manager ?
3. Calculate the following :
(i) Future value of ₹ 10,000 after 5 years @ 10% compounding semi-annually.
(ii) Future value of an annuity of ₹ 1,000 per month @ 12% at the end of six months.
(iii) Present value of ₹ 1,500 annuity (beginning of year) @ 10% after two years.
(iv) Rate of interest if ₹ 2,000 money doubles after six years.

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2

3

4

1,25,000

50,000

1,10,000

5. What is leverage ? What are the various types of leverages ? How is it calculated ?

(Long Answer Type Question)

Note : Attempt any two questions. Each question carries 10 marks.

6. What are the various theories of capital structure ? What do you mean by relevant and irrelevant capital structure ?
7. What do you mean by Weighted Average Cost of Capital ? How is it calculated ?
8. (a) What do you mean by Receivable Management ?
(b) A company is making cash sales only in the past. It wants to make credit sales also. Credit sales will be of ₹ 50 lakh. unit price ₹ 10. Variable cost 90% of unit price. collection period will be 90 days. investment will be 12%. Should it make credit sales ?

9. Write short notes on the following :

- (i) Cash Budget
(ii) EOQ and ABC Analysis

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