

Course Code: 1PGDFM2
Course: Financial Management
Credit:5
Last Submission Date: April 30 (for January Session)
October 31, (for July session)

Max. Marks:-30
Min. Marks:-12

Note:-attempt all questions.

- Que.1 What are the importance of financial management ? Compare profit Maximization with wealth Maximization objectives of financial management .
- Que.2 Define “cost of capital”. How will you determine the cost of capital from different sources .
- Que.3 What is working capital management? Explain the importance of working capital. Also explain those factor which is considered while estimating the working capital .
- Que. 4 Discuss the importance and techniques of inventory management for a manufacturing concern.
- Que. 5 Calculate operating leverage, financial leverage and combined leverage from the following.

	Rs.
Sales 40,000 units @ Rs.5 per unit	200000
Variable costs Rs.2per unit	80000
Fixed cost	90,000
Interest charges on debt capital	5000

- Que. 6 What do you understand by dividend policy briefly explain types and factors Influencing dividend policy.
- Que. 7 Briefly explain the legal and procedural aspects of divalent according to company law .
- Que. 8 Laxmi electronics Co.Ltd. is considering the purchase of a machine two machines A and B are available, each costing Rs.50,000 in comparing the profitable of

these machines a

Discount rate of 10% is to be used . net cash flows are expected to be as follows :

Year	machine A	machine B
	Cash inflow	Cash inflow
	Rs.	Rs.
1	15,000	5,000
2	20,000	15,000
3	25,000	20,000
4	15,000	30,000
5	10,000	20,000

You are also given the following data:

Year hence	present value of re.1 @ 10% discount
1	0.909
2	0.826
3	0.751
4	0.683
5	0.621

Evaluate the project using

- (i) The pay-back period
- (ii) The net present value
- (iii) The profitability index.

Que. 9 Write short notes on :-

- (1) Cash management
- (2) Receivables management

Que. 10 Write short note on :-

- (1) Financial planning
- (2) Capitalisation