

Seat No.	
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B.B.A. (Part - III) (Semester - V) Examination, April - 2018
FINANCIAL MANAGEMENT (Paper - I)
Sub. Code : 43955

Day and Date : Saturday, 28 - 04 - 2018

Total Marks : 40

Time : 03.00 p.m. to 05.00 p.m.

- Instructions : 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q1) What is Financial Management? Explain the profit maximisation & wealth maximisation objectives of financial management. [14]

OR

X Co. Ltd. desire to purchase the business & has consulted due to determine the amount of working capital. You are given the following estimates & are instructed to add 10% competent figure to allow for contingencies.

Particulars	Rs
a) Average amount locked up in stocks	
Finished Goods	5,000
Stock of Stores	8,000
b) Average credit given	
1) Inland Sales-4 weeks	3,20,000
2) Export Sales -2 weeks	80,000
c) Lag in payments	
1) Wages -1 1/2 week	2,60,000
2) Stock of material -1 1/2 month	48,000
3) Royalty-6 month	20,000
4) Clerical staff-1/2 month	60,000
5) Manager -1/2 month	6,000
6) Miscellaneous expenses -1 1/2 month	45,000
d) Advance payment of tax (quarterly)	8,000
e) Undrawn profit for the year	11,000

P.T.O.

Q2) Write Short answers (any two)

- a) What is Working capital? Explain the determinants of working capital.
- b) What is financial planning? Explain the characteristics of financial planning
- c) What is Leverage? Explain operating leverage & financial leverage.
- d) What is capitalisation? Explain the theories of capitalisation.

Q3) Write Short notes (Any two)

[10]

- a) Under capitalisation.
- b) Modern Approach.
- c) Types of working capital.
- d) Functions of financial management.

