



Regu-N – 341

Seat No.	
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M.B.A. (Part – I) (Semester – II) (Regular) Examination, 2012
Paper – X : FINANCIAL MANAGEMENT (New Course)
Sub. Code : 48329

Day and Date : Monday, 21-5-2012
 Time : 10.00 a.m. to 1.00 p.m.

Total Marks : 70

- Instructions :** 1) Question Numbers **1** and **5** are **compulsory**.
 2) Solve **any two** questions from question numbers **2** to **4**.
 3) Figures to the **right** indicate marks for the questions.

1. A company is considering an investment proposal to install a new milling controls at accost of Rs.50,000. The facility has a life expectancy of 5 years and no salvage. The estimated cash flows from the proposal are as follows.

Year	Estimated CFAT	PV factor @ 10%
1	10000	0.909
2	10450	0.826
3	11800	0.751
4	12250	0.683
5	16750	0.621

Compute the following :

- Payback period
 - Net present value at 10% discount rate
 - Profitability index at 10% discount rate
 - Express your opinion about the said proposal 20
2. a) Define financial management. Describe the role of finance manager in India. 8
- b) Explain the sources of finance in brief. 7

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3. a) What do you mean by working capital ? Explain the working capital cycle.

8

b) Explain in detail the objectives of financial management.

7

4. a) The following is the Balance Sheet of Sammed Ltd., as on 31/03/2011

Balance Sheet as on 31/03/2011

Capital and Liabilities	Amount (Rs.)	Assets and Properties	Amount (Rs.)
Equity Share Capital	50,000	Plant and Machinery	1,00,000
Preference Share Capital	50,000	Furniture	50,000
General Reserve	75,000	Sundry Debtors	50,000
8%, Debentures	1,00,000	Cash at Bank	25,000
Sundry Creditors	50,000	Closing Stock	1,25,000
Bills Payable	25,000		
Total	3,50,000	Total	3,50,000

Calculate : i) Current Ratio

ii) Quick Ratio

iii) Absolute liquidity Ratio

8

b) Explain the significance of capital budgeting.

7

5. Write short notes **any four** :

a) Accounting Rate of Return Method

b) Cost of Capital

c) Factors affecting the requirement of working capital

d) Factoring

e) Profitability Ratios

f) Trend Analysis.

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