

Roll No.

Y– 2865 (A)
M. B. A. (Second Semester) (SPECIAL) EXAMINATION, August 2021
[SECOND CHANCE]
PAPER—205
Financial Management
Time : Three Hours

Maximum Marks : 70

Minimum Pass Marks : 28

Note—Attempt *all* questions.

1. Attempt any *five* questions in maximum 50 words each— 14
 - (a) Define Financial Management
 - (b) What is risk ?
 - (c) What is return.
 - (d) Define investment
2. Explain the functions of financial manager in modern age. Explain financial management process. 14
3. Calculate DFL, DOL and DTL from the following informations : 14

Quantity Produced	5000 Units
Variable Cost per Unit	Rs. 200
Selling Price Per Unit	Rs. 500
No. of Equity Share	Rs. 5,00,000
Total fixed Cost	Rs. 9,00,000
Interest	Rs. 75,000
Preference Dividend	Rs. 50,000
Corporate Tax	50%
Equity Earnings	Rs. 1,63,500
4. ABC Ltd. has assets of Rs. 30 Lakhs which have been financed with Rs. 18 Lakhs of term loan, Rs. 10 Lakhs of equity share and Rs. 2 lakhs from

P.T.O.

general reserve. Profit after interest and tax for the year ended 31.3.2020 were Rs. 1,80,000. It pays 10% interest on borrowed funds and is in the 30% tax bracket. It has 18000 equity share of Rs. 100 each selling at a market price of Rs. 200 per share. What is the weighted average cost of capital ? 14

5. Write notes on : 14

- (a) Walter's Model of Dividend
- (b) Sources of Working Capital Finance
- (c) Green Finance.