

**B.B.A. DEGREE EXAMINATION, ODD SEMESTER 2020**  
**III Year V Semester**  
**Financial Management**

**Max.marks :25**

Answer any **FIVE** questions ( $5 \times 5 = 25$ ) Marks

1. Define financial management and its scope or elements.
2. What is capital structure? What are the major determinants of capital structure?
3. From the following data calculate operating, financial and combined leverage

Particulars	X Ltd	Y Ltd
Sales	4,00,000	8,00,000
Variable cost	40%	30%
Fixed cost	1,28,000	2,80,000
Interest	48,000	1,20,000

4. Explain the techniques of inventory investment.
5. What are all the types of dividend ?
6. Calculate the operating cycle of a company which gives the following details:

	Rs.
Raw materials consumption per annum	8,42,000
Annual cost of production	14,25,000
Annual cost of sales	15,30,000
Annual sales	19,50,000
Average value of current assets held:	
Raw material	1,24,000
Work in Progress	72,000
Finished goods	1,22,000
Debtors	2,60,000

The company gets 30 days of credit from its suppliers. All sales made by the firm are on credit only. One year is equal to 365 days.

7. Project X initially costs Rs.25, 000. It generates the following cash flows

Year	Cash inflows(Rs.)	Present value of Re.1 @10%
1	9,000	.909
2	8,000	.826
3	7,000	.751
4	6,000	.683
5	5,000	.621

Taking the cut-off rate as 10% calculate NPV and suggest whether the project should be accepted or not.