

B.Com.(A&F) DEGREE EXAMINATION, ODD SEMESTER 2020
III Year V Semester
Financial Management

Max.marks :25

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

1. State the objectives of Financial management.
2. Jain co. Ltd sells goods for cash as well as on credit. The details are:

Total sales	1,00,000
Sales return	7,000
B/R at end	2,000
Cash sales	20,000
Debtors at end	9,000
Provision for bad debts	1,000

Calculate average collection period.

3. Calculate the operating, financial and combined leverages from the following:

Sales	Rs. 50,000
Variable cost	Rs. 25,000
Interest	Rs. 5,000
Fixed cost	Rs. 15,000.

4. Ascertain Net present value assuming the initial investment is Rs. 2,00,000

Year	Cash inflow	Discount factor @ 10%
I	90,000	0.909
II	90,000	0.826
III	80,000	0.751
IV	80,000	0.683
V	60,000	0.621

5. Discuss the factors affecting the Dividend policy of a company.
6. What are the sources of long term funds?
7. From the following information relating to a company, calculate (a) Operating Cycle (b) No. Of operating cycles in a year assuming a 360 day year, and (c) Average working capital required, if annual cash operating expense are Rs. 150 lakh.

Stock holding: Raw materials : 2 months
 WIP : 15 days
 Finished goods : 1 month
 Average debt collection period : 2 months
 Average payment period : 45 days