

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.

B.Com.(ISM) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - IV

20UBICT4008 - Financial Management

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. State the objectives of Financial Management.
2. From the following particulars calculate:
(i) Earnings Per Share (ii) Price-Earning Ratio

Particulars	Rs.
Equity Capital (Rs.10 Shares)	7,00,000
10% 20,000 Preference share	2,00,000
Profit after tax of 35%	3,20,000
Market price of equity shares	60

3. What is weighted average cost of capital? How is it ascertained?
4. Compute the pay-back period for a project which requires a cash outlay of Rs.10,000 and generate cash inflows of Rs.2,000, Rs.4,000, Rs.3,000 and Rs.2,000 in the first, second, third and fourth year respectively.
5. Distinguish between Net Present Value and Internal Rate of Return.
6. What are the assumptions of Walter's model of dividend policy?
7. Explain the various factors influencing working Capital.
8. From the following information calculate Net Working Capital.

Particulars	Rs.
Stock	70,000
Debtors	50,000
Accrued Income	60,000
Bills Receivable	50,000
Creditors	40,000
Bills payable	45,000

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. Explain the factors to be considered for determining the capital structure of the company.

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10. Discuss briefly the different approaches of computation of cost of preference capital.
11. Critically examine the various methods of evaluating capital budgeting proposals.
12. Classify the factors which influence dividend policy of the firm.
13. From the following balance sheet calculate (a) Gross working capital (b) Net working capital.

Balance sheet as on 31.12.2016

Liabilities	Rs.	Assets	Rs.
Share Capital	6,00,000	Land & Building	3,00,000
Reserves	1,00,000	Plant & Machinery	4,00,000
Debentures	3,00,000	Cash	60,000
Bank Loan	1,00,000	Investments	1,00,000
Creditors	60,000	Debtors	1,40,000
Bills payable	40,000	Inventory	2,00,000
	12,00,000		12,00,000
