

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.(Hons) - END SEMESTER EXAMINATIONS NOVEMBER - 2023

SEMESTER - V

**20UBHCT5023 - Financial Management**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

### **Section B**

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

1. Explain the functions of finance.
2. Describe the sources of short term finance.
3. Elucidate the calculation of accounting rate of return.
4. How would you rank capital budgeting proposals for the purpose of their selection?
5. Elucidate the factors affecting weighted average cost of capital.
6. Relate Modigliani-Miller approach to the problem of cost of Capital structure.
7. Highlight the different types of Dividend Policy.
8. Examine the various problems in the cash management.

### **Section C**

I - Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. Interpret “ The goal of profit maximization does not provide an operationally useful criterion”.
10. Compute the payback period from the following cash flows

Year	CFAT
0	1,00,000
1	20,000
2	30,000
3	40,000
4	50,000
5	60,000

11. Examine the various costs in computing the cost of capital.
12. Evaluate the essentials of Walters Dividend model. Explain its shortcomings.

**Contd...**

II - Compulsory question ( $1 \times 10 = 10$  Marks)

13. From the following data prepare a statement showing requirement for

- (a) Estimated output for the year 1,30,000 units ( 52 weeks)
- (b) Stocks of R.M – 2 weeks & materials in process for 2 weeks, 50% of wages & OH are incurred
- (c) Finished goods remains in storage for 2 week
- (d) Creditors 2 weeks
- (e) Debtors 4 weeks
- (f) Outstanding wages and overheads 2 weeks each
- (g) Selling price / units Rs.15
- (h) Analysis of cost per unit is as below. Raw Material 5 Units

Labour        3 Units

Overheads   2 Units

Profit        5 Units

Find out the working capital requirement.

\*\*\*\*\*

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.(Hons) - END SEMESTER EXAMINATIONS NOVEMBER - 2023

SEMESTER - V

**20UBHCT5023 - Financial Management**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

### Section B

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

1. Explain the functions of finance.
2. Describe the sources of short term finance.
3. Elucidate the calculation of accounting rate of return.
4. How would you rank capital budgeting proposals for the purpose of their selection?
5. Elucidate the factors affecting weighted average cost of capital.
6. Relate Modigliani-Miller approach to the problem of cost of Capital structure.
7. Highlight the different types of Dividend Policy.
8. Examine the various problems in the cash management.

### Section C

I - Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. Interpret “ The goal of profit maximization does not provide an operationally useful criterion”.
10. Compute the payback period from the following cash flows

Year	CFAT
0	1,00,000
1	20,000
2	30,000
3	40,000
4	50,000
5	60,000

11. Examine the various costs in computing the cost of capital.
12. Evaluate the essentials of Walters Dividend model. Explain its shortcomings.

**Contd...**

II - Compulsory question ( $1 \times 10 = 10$  Marks)

13. From the following data prepare a statement showing requirement for

- (a) Estimated output for the year 1,30,000 units ( 52 weeks)
- (b) Stocks of R.M – 2 weeks & materials in process for 2 weeks, 50% of wages & OH are incurred
- (c) Finished goods remains in storage for 2 week
- (d) Creditors 2 weeks
- (e) Debtors 4 weeks
- (f) Outstanding wages and overheads 2 weeks each
- (g) Selling price / units Rs.15
- (h) Analysis of cost per unit is as below. Raw Material 5 Units

Labour        3 Units

Overheads   2 Units

Profit        5 Units

Find out the working capital requirement.

\*\*\*\*\*