



K20U 0927

Reg. No. : .....

Name : .....



IV Semester B.B.A./B.B.A. (T.T.M.)/B.B.A. (R.T.M.)  
Degree (CBCSS – Reg./Sup./Imp.) Examination, April 2020  
(2014 Admn. Onwards)  
Core Course  
4B09 BBA/BBA(TTM)/BBA(RTM) : FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 40

SECTION – A

Answer **all** questions. **Each** question carries  $\frac{1}{2}$  mark.

1. Define Financial Management.
2. Explain the term capitalization.
3. What do you mean by receivable ?
4. What do you mean by carrying cost ?

(4× $\frac{1}{2}$ =2)

SECTION – B

Answer **any four** questions. **Each** carries 1 mark.

5. Explain gross working capital.
6. What do you mean by explicit cost ?
7. What is PI ?
8. What do you mean by capital structure ?
9. What is Lead time?
10. What is weighted average cost of capital ?

(4×1=4)

P.T.O.



## SECTION – C

Answer **any six** questions. **Each** question carries **three** marks.

11. Write a short note on JIT.
12. Explain EOQ.
13. What is ARR ? How is it calculated ?
14. Explain the factors which influence the size of receivables.
15. Explain various motives for holding cash.
16. What is cost of capital ? Explain the significance of cost of capital.
17. Explain the major financial decisions.
18. A 5 year Rs. 100 debenture of a firm can be sold for a net price of Rs. 96.50. The coupon rate of interest is 14 per cent per annum, and the debenture will be redeemed at 5 per cent premium on maturity. Compute the before tax cost of debenture. (6×3=18)

## SECTION – D

Answer **any two** questions. **Each** question carries **eight** marks.

19. Define the term working capital. What factors would you take into consideration in estimating the working capital needs of a concern ?
20. Explain the objectives of Financial Management.
21. From the following information calculate the net present value of the two projects and suggest which of the two projects should be accepted assuming a discount rate of 10%.

	Project A	Project B
Initial investment	20,000	30,000
Estimated Life	5 year	5 year
Scrap value	1,000	2,000

The profit before depreciation and after taxes (cash flows) are as follows :

	Year 1	Year 2	Year 3	Year 4	Year 5
Project X	5,000	10,000	10,000	3,000	2,000
Project Y	20,000	10,000	5,000	3,000	2,000

P.V @ 10% .909 .826 .751 .683 .621

(2×8=16)