

N.G.M.COLLEGE (AUTONOMOUS): POLLACHI

END-OF-SEMESTER EXAMINATIONS: NOVEMBER2023

B.Com FINANCE

MAXIMUM MARKS: 70

SEMESTER V

TIME: 3 HOURS

PART - III

21UCF5E1 – FINANCIAL MANAGEMENT

SECTION - A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Basic objective of financial management is _____.
 - a). Maximization of profit
 - b). Maximization of shareholder's wealth
 - c). Ensuring financial discipline in firm
 - d). All of these.
2. Cost of equity share or debt is known as _____.
 - a) The specific cost of capital
 - b) The related cost of capital
 - c) The burden on the shareholders
 - d). None of these.
3. In MM –Model irrelevance of capital structure is based on _____.
 - a) Cost of debt
 - b) Cost of equity
 - c) Arbitrage Process
 - d) All of these.
4. IRR is a reverse of _____.
 - a) Payback period
 - b) Net Present Value
 - c) Adjusted accounting rate of return
 - d). None of the above.
5. The Modigliani Miller theorem, is known as _____.
 - a) Profits
 - b) Working capital
 - c) Capital Structure irrelevance principle
 - d) Operations

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. What do you mean by financial Management?
7. What is Cost of Capital?
8. Define Capital Structure.
9. What is financial leverage.
10. Write the formula for Gordon's dividend model.

SECTION – B

(5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)

11. a) State the role of a financial manager.

(OR)

- b) Explain the significance of financial management.

12. a)What are the importance of cost of capital?

(OR)

- b) Sri Ganesh Industries Ltd issues 5,000. 12 % debentures of Rs. 100 each at par. The tax rate is 40%. Calculate before tax and after tax cost of debt.

(CONTD 2)

13. a) Write a short note on EBIT-EPS analysis.

(OR)

b) Discuss the net Income approach.

14. a) Describe the importance of capital budget.

(OR)

b) Discuss the different types of leverages.

15. a) State different forms of dividend.

(OR)

b) Show the Assumptions of MM Approach?

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS (K4/K5)

(16th QUESTION IS COMPULSORY)

16. Enumerate the various functions of Financial Management.

17. Elucidate the objectives of financial management.

18. Discuss in detail types of Cost of Capital.

18. What are the factors to be kept in mind while determining the capital structure?

19. Enumerate the techniques of evaluation of Long-term investment proposal.

20. Explain in detail Walter's dividend model theory with example.

21UCF5E1/-