

QP CODE

C1015

Enrollment Number:

Name:

B.B.A DEGREE EXAMINATIONS, JULY 2025

Third Semester

B.B.A.

B21BB05DC – Financial Management

(2023 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. What is dividend payout ratio?
2. What are the long-term financial decisions taken by a company?
3. What is meant by liquidity decision in financial management?
4. What are the Non-discounted Cash Flow Criteria used in investment appraisal?
5. What is the Internal Rate of Return (IRR)?
6. What is the concept of the time value of money?
7. What is safety stock in inventory management?
8. What is lead time?
9. What is working capital?
10. What is financial structure?
11. What is unsystematic risk?
12. What is capital gearing?
13. What is a dividend?
14. What are retained earnings?
15. What is financial management?

(1X10=10)

Section B

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

16. What is working capital management?
17. What are the sources of dividend?
18. What is capital rationing?
19. What is accounting rate of return (ARR)?

20. What is economic order quantity (EOQ)?
21. What is credit policy in financial management?
22. What is the Capital Asset Pricing Model (CAPM) approach?
23. What is the Modigliani-Miller (MM) approach to the cost of capital without tax?
24. What is a stable dividend policy?
25. What is capital structure?

(2X5=10)

Section C

Answer any four of the following questions in one page each. Each question carries 5 marks.

26. Explain the role of financial management in modern business?
27. Describe the merits of the Payback Method?
28. Explain the difference between Net Present Value (NPV) and Internal Rate of Return (IRR)?
29. Describe the cash management techniques of speedy cash collections?
30. Explain the key factors that lead to capital rationing in financial planning?
31. A business issues Rs.1,00,000 worth of Rs.100 apiece 15% Debentures. The business pays taxes at a 50% rate. The cost of debt after taxes can be calculated as follows if:
 - a. debentures are issued at (i) par, (ii) 10% off, and (iii) 10% premium.
 - b. the issue is at par and brokerage is paid at 5%?
32. Point out the steps to be followed to find out discounted payback period.
33. Describe the factors determining dividend policy?

(5X4=20)

Section D

Answer any two of the following questions in four pages each. Each question carries 15 marks.

34. Explain the functions of finance?
35. Explain the forms of bank finance? Also explain regulation of bank finance?
36. Describe the types of leverage?
37. What is dividend decision? Explain the determinants of dividend decisions?

(15X2=30)