SEAT No._____

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S.Y.B.B.A. (HM/TTM) Examination, Semester – IV
Wednesday, 11th April 2018
Financial Management - UM04CBBT01/H01

Time: 10:00 AM To 12 O'clock   Total Marks: 60

Q-1   Define Financial Management. Discuss scope and functions of financial management.   (15)
OR

Q-1(A)   Explain the concept of 'Profit Maximisation' and 'Wealth Maximisation'. Which of   (08)
these do you think is a better operational guide for a finance manager?

Q-1(B)   Write note on 'Risk-Return trade-off'   (07)

Q-2(A)   What is Financial Planning? Discuss factors affecting financial planning.   (08)

Q-2(B)   Discuss limitations of financial planning.   (07)
OR

Q-2   What is under capitalization? Discuss causes, effects and remedies of under   (15)
capitalisation.

Q-3(A)   Explain the function of SEBI (Stock Exchange Board of India).   (08)

Q-3(B)   Give brief overview of Bombay Stock Exchange and National Stock Exchange.   (07)
OR

Q-3   Write detailed note on: (15)
1) Equity Share Capital
2) Retained Earnings
3) Debentures

Q-4(A)   What is Capital Budgeting? Discuss types of capital budgeting decisions in a firm.   (08)

Q-4(B)   Explain factors affecting capital budgeting decisions in a firm.   (07)
OR

Q-4(A)   Write note on "Discounted cash flow methods (Modern methods)" for capital   (07)
budgeting decision.

Q-4(B)   Nexa Ltd. Is considering to invest Rs. 8,00,000 in two mutually exclusive projects X   (08)
and Y. Following is the net cash flow from the two projects.

Year	Net Cash flow	
	X (Rs.)	Y (Rs.)
1	2,80,000	3,00,000
2	3,05,000	2,85,000
3	2,30,000	2,45,000
4	2,45,000	2,35,000
5	2,35,000	2,10,000

Determine which project should be selected using net present value method and also
calculate profitability index of both the project using 10% rate of discount.
Present Value table for Re. 1 @ 10% rate of discount is as under:

Year	1	2	3	4	5
PVIF@10%	0.909	0.8264	0.7513	0.683	0.6209

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