

Dr. Babasaheb Ambedkar Open University
Term End Examination January-2016

Course	: Diploma in Financial Management (DFM)	Numerical Code: 0027
		Roll No: _____
Subject	: Basic Understanding of Financial Management (DFM-01)	
Date	: 28/01/2016	Numerical Code: 0175
Time	: 11.00 to 02.00	
N.B.	: All Questions carry equal Marks	Total Marks : 70

Q.1. Explain the Meaning and Scope of Financial Management. (14)

OR

Explain the Concept of time value of money.

Q.2. Discuss the Important Function of Finance Manager. (14)

OR

Explain trade credit as a source of short term finance.

Q.3. Explain the Sources of long term Finance. (14)

OR

Write a note on Debenture.

Q.4. Discuss any five different sources of short term Finance. (14)

OR

Explain (i) Hire Purchase
 (ii) Bank Guarantees

Q.5 **Write a Short Note. (Any Two)** (14)

1. Depreciation and Financial Management.
 2. Indirect Tax
 3. Retained Earnings
 4. Term Loan
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Course : Diploma in Financial Management (DFM)

Numerical Code: 0027

Subject : Project Appraisal and Analytical Tools (DFM-02)

Roll No: _____

Numerical Code: 0176

Date : 28/01/2016

Time : 03.00 to 06.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1 Discuss the different Investment Appraisal Methods. (14)

OR

Write a short on Difference Between.

1. Funds Flow statement Vs. Profit & Loss Account
2. Funds flow statement Vs. Balance Sheet.

Q.2 Discuss the Cash flow statement uses & Difference Between funds flow Statement vs. Cash flow Statement. (14)

OR

Discuss the categories of lease Agreements.

Q.3 ABC Ltd. has made investment of Rs. 60,000 in a Project, the cash flow available for 5 years B as follows. Find out Internal rate of Return. (14)

1 st Year	Rs. 23,000	4 th Year	Rs. 16,000
2 nd Year	Rs. 16,000	5 th Year	Rs. 10,000
3 rd Year	Rs. 14,000		

OR

The following is the Balance Sheet of ABC Ltd. as on 31/03/2003. Rearrange it in a form suitable for analysis & calculate the following ratios.

1. Net Profit Ratio
2. Current Ratio
3. Proprietary Ratio
4. Return of Capital employed
5. Debtors Ratio
6. Fixed Assets Turnover

	Rs.		Rs.
Creditors	16,000	Cash at Bank	26,000
Bills Payable	6,000	Debtors	11,000
Debentures	1,00,000	Stock	50,000
Presences & Profits	69,000	Bills Receivable	4,000
Paid up Capital	1,00,000	Fixed Assets	2,00,000
	2,91,000		2,91,000

Balance Sheet as on 31/03/2003

Sales 2,00,000 & Net Profits Rs. 60,000

Q.4 Discuss the Requirement of Sound Budgeting System. **(14)**

OR

Write a short note on Objectives & Features of ZBB. Difference between ZBB & Traditional Budgeting.

Q.5 Write a short note on Contribution financial consultant in the field of insurance. **(14)**

OR

ABC Corporation purchases a machine costing Rs. 1,10,000 the estimated return is as follows.

Year	Return	Year	Return
1	25,000	6	30,000
2	40,000	7	25,000
3	40,000	8	20,000
4	40,000	9	15,000
5	35,000	10	10,000

Economic Life: 10 years salvage value of 10,000

Depreciation: Straight line Assumed Rate of method over 10 years.

Tax: 50%

Calculate the payable period.

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Course	: Diploma in Financial Management (DFM)	Numerical Code: 0027
Subject	: Policy Matters Financial Management (DFM-03)	Roll No:_____
Date	: 29/01/2016	Numerical Code: 0177
N.B.	: All questions carry equal Marks.	Time : 11.00 to 02.00
		Total Marks : 70

Q.1. Give the meaning of cost of capital and Explain sources of cost of capital. (14)

OR

Explain operating leverage, financial leverage and Combined leverage.

Q.2. Meaning of capital structure and Patterns of Capital Structure. (14)

OR

Explain Modigliani and Miller Theory.

Q.3. Write note on types of Dividend. (14)

OR

Types of dividend policy.

Q.4. Explain weighted average cost of capital. (14)

OR

Discuss factors Influencing Capital structure.

Q.5. Write a Short Note. (Any Two) (14)

1. Net income Approach
 2. Marginal Cost of Capital
 3. Retained Earnings
 4. 'Bird in Hand' Theory
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Course : Diploma in Financial Management (DFM)

Numerical Code: 0027

Subject : Working Capital Management (DFM-04)

Roll No: _____

Date : 29/01/2016

Numerical Code: 0178

Time : 03.00 to 06.00

N.B. : All questions carry equal Marks.

Total Marks : 70

Q.1. Explain Meaning of working Capital and objective of working capital management. (14)

OR

Impact of Inflation on working capital Requirement.

Q.2. Explain cash discount, credit policy and credit rating of customer. (14)

OR

Explain ABC analysis.

Q.3. What is inventory management and Explain economic order quantity. (14)

OR

Explain (i) VED analysis

(ii) FNSD Analysis

Q.4. Explain the meaning of management of cash and advantages of cash budget. (14)

OR

Methods of preparing cash budgets.

Q.5. Write Short note (Any Two) (14)

1. Under capitalization
2. Over trading
3. Needs of Holding cash
4. Limitation of cash budget