

Dr. Babasaheb Ambedkar Open University
Term End Examination January -2026

Course : Diploma Course
Subject Code : DFM-01
**Subject Name : Basic Understanding of
Financial Management**

Date : 28/02/2026
Time : 11:30am to 01:45pm
Duration : 02.15 Hours

Max. Marks : 70

Q-1 What is the scope of Financial Management? Explain Traditional Approach of Financial Management. **14**

OR

Explain Important Functions of Finance Manager.

Q-2 Explain the types of Debentures? **14**

OR

Explain trade credit as a source of short-term finance?

Q-3 Explain Warrant as a source of Long term Finance With its advantages? **14**

OR

Explain the concept of 'Time Value of Money'?

Q-4 What are the Advantages and Disadvantages of the following forms of business organization: Sole Proprietorship, Private Company & Public Company? **14**

OR

Explain the terms 'sweat equity' & stock options'?

Q-5 **Write Short Notes (Any two)** **14**

1. Financial Management: Is it a Science or an Art?
2. Partnership
3. Commercial Paper(CP)
4. Secured Debentures
5. Bills of Exchange
