Dr. Babasaheb Ambedkar Open University
Term end Examination July - 2016

Course : APGDBA

Subject Code : APGDBA - 106 **Max. Marks : 70**

Subject Name: Financial Management **Duration : 03 hours**

Date : **Time :**

Section A

Answer the following (any three) **(30)**

1. What are Meaning of Financial Management and Objectives of Financial Management?
2. Explain basic concept of Cost of Capital with numerical example.
3. What is Meaning of Working Capital Management and explain operating working capital cycle.
4. What is Meaning of investment and write short note on Long term sources of fund.
5. What is Procedures of Preparing Financial Plan?

Section B

Answer the following (any four) **(20)**

1. Explain role of Financial Manager
2. Write Short note on Equity capital and debenture.
3. Write short note on leverages.
4. Briefly explain techniques of Cash flow statement analysis.
5. What is capital structure decision?
6. Explain Procedures of Capital Budgeting.

Section C

A. MCQ (2x5) **(10)**

1. Which of the following evaluation criteria does not consider time value of money?

A) NPV
B) ARR
C) PI
D) IRR

2. The Debt Equity ratio comprises.

A) Affects its financial leverage
B) Affects the dividend decision of the company.

SAMPLE QUESTION PAPER

C) Does not affect the earnings per share
D) Both (a) & (b)

3. According to NI approach, as leverage decreases
   A) average cost of capital decreases
   B) average cost of capital increases
   C) cost of debt increases
   D) cost of equity decreases

4. Which one of the following is not a major driver of growth?
   A) Current ratio
   B) Retention ratio
   C) Return on equity
   D) All the above

5. According to NOI approach increase in leverage will affect
   A) cost of debt
   B) cost of equity
   C) overall capitalization rate
   D) None of the above

B. Do as Directed (2x5) **(10)**

1. Explain full form of NPV
2. Meaning of Preference Share Capital
3. Function of Investment.
4. Meaning of Insurance.
5. Explain Cash Budget

SAMPLE QUESTION PAPER