



22101350

QP CODE: 22101350

Reg No : .....

Name : .....

**BBA DEGREE (CBCS) IMPROVEMENT / REAPPEARANCE EXAMINATIONS,  
MAY 2022**

**Fourth Semester**

Bachelor of Business Administration

**Core Course - BA4CRT16 - FINANCIAL MANAGEMENT**

2017 Admission Onwards

16BE5F87

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Why it is considered important for a financial manager to understand the broad economic environment?
2. What is wealth maximisation approach?
3. What do you mean by overdraft?
4. What is lease financing ?
5. What is fluctuating working capital?
6. What is the importance of maintaining optimum cash balance?
7. How can we compute the cost of debt issued at a discount?
8. Write any two assumptions of net income approach.
9. How do we compute combined leverage?
10. What is stable dividend policy?
11. Write any two criticism raised against Modigliani -Miller model of dividend policy.
12. What do you mean by Gordon's dividend capitalization model?

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. What are the two different approaches to Financial Management?
14. Write a note on organisation of finance function.
15. What is a Preference Share? What are the different types of Preference Shares?
16. What is a Commercial Paper ?
17. Explain the various concepts of working capital .
18. How does the profit level of a company influence working capital?
19. What is weighted average cost of capital? What are the advantages of computing weighted average cost of capital?
20. Define Capital structure. Explain any 4 factors affecting the capital structure of a company.
21. What are the various forms in which companies in India distribute dividend?

(6×5=30)

### **Part C**

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. What is Finance Function? Explain its scope. What major decisions are required to be taken in Finance?
23. Classify various sources of funds on the basis of ownership and explain each source.
24. Explain the Dimensions of Receivables Management.
25. What is cost of capital? Explain the Significance of the Cost Of Capital. How can we compute the weighted average cost of capital?

(2×15=30)

