# DB–493

## M. B. A. (FT) (Second Semester) EXAMINATION, 2012

### FINANCIAL MANAGEMENT

### (CP–204)

Time : Three Hours

Maximum Marks : 80

Section—A          8 each

Note : Attempt any *four* questions.

1. Write a note on major objectives of financial management.

2. Calculate break-even point in quantity and in sales with the help of the following data :

   Quantity sold          = 2000 units

   Selling price per unit  = ₹ 20

   Variable cost per unit  = ₹ 12

   Fixed cost             = ₹ 10,000

3. Explain any *two* instruments of long-term finance.

4. What do you mean by Capital Structure ? Explain optimum capital structure.

5. Calculate Cost of Debentures with the help of the following data :

   Debenture value = 6% Debentures 1000 @ ₹ 100 each

   Issue price = ₹ 105 each

6. What is zero based budgeting ?

7. Write a short note on Dividend policy.

8. Calculate EOQ with the help of the following data :

   Raw materials used        = ₹ 5000 units

   Purchase price per unit = ₹ 10

   Ordering cost per unit    = ₹ 50

   Carrying cost per unit    = ₹ 2

Section—B          16 each

Note : Attempt any *three* questions.

1. Explain the significance of Financial Analysis and Control with the help of a various tools used in effective financial management of a company.

2. Write short notes on the following :

   (i)   Operating leverage

   (ii)  Financial leverage

   (iii) Combined leverage

3. Explain the NPV and IRR method used in Investment decision with the help of suitable example.

4. Give difference between a Budget, Budgeting and Budgetory control.

5. Explain the importance of Working Capital Management.