NAAHAR PUBLIC SCHOOL (CBSE) SENIOR SECONDARY ACADEMIC YEAR(2022-2023) NOVEMBER MONTHLY TEST

GRADE: XII DATE:16.11.2022

SUBJECT: BUSINESS STUDIES TEACHER'S INITIAL: Mrs.SUGANTHI			MARKS:30 DUR: 45 Mins	
I.MULTIPLE CHOICE QUESTIONS:			10x1=10	
1. The concept of Financi	al management is			
a)Profit maximization				
b)All features of obtaining c)Organization of funds	g and using financial re	esources for compar	ny operations	
d)Effective Management	of every company			
2 What is the primary go	oal of financial manage	ment?		
a)To minimise the risk	b)To maxii	To maximise the owner's wealth		
c)To maximise the return	d)To raise	d)To raise profit		
3 GST is a consumption	of goods and service to	ax based on.		
a)Development b)D	Dividend c)D	Ouration	d)Destination	
4. The finance manager is	accountable for.			
a)Earning capital assets or	f the company			
b)Effective management of	of a fund			
c)Arrangement of financia	al resources			
d)Proper utilization of fur	nds			
5. The market value of the	e shares is decided by			
a)The investment market		b)The government		
c)Shareholders		d)The re	espective companies	
6. The capital budget is as	ssociated with.			
a)Long terms and short terms assets		b)Fixed assets		
c)Long terms assets		d)Short	d)Short term assets	
7. Higher working capital	usually results in:			
a)higher current ratio, hig	her risk and higherprot	ĩts		
b. lower current ratio, hig	her risk and profits			
c. higher equitably, lower	risk and lower profits			
d. lower equitably, lower	risk and higher profits			
8. Business finance is nee	ded to			
a) Establish a business	b) Run a business	c) Expand a bu	siness d) All of the above	

9. Which of the following is not a tangible asset?

(b) Trademarks

(c) Factories

(d) Offices

(a) Machinery

- 10. Financial Management aims at
- (a) Reducing the cost of funds procured
- (b) Keeping the risk under control
- (c) Achieving effective deployment of such funds
- (d) All of the above

II. ANSWER THE FOLLOWING:

5x4=20

- 1. Give the meaning of 'Investment' and 'Financing Decisions' of financial management.
- 2. Explain briefly any four factors that affect the Working capital requirement of a company
- 3. Explain the term 'Trading on Equity. Why, when and How?
- 4.MM Ltd. is manufacturing small cars at its manufacturing unit in Pune. The demand of its cars is increasing at the rate of 20% annually. It is planning to set up a new car manufacturing unit at Indore. For this, the company will require approximately 1,500 crore as fixed capital and 400 crore as working capital. The company has already arranged for its working capital. State any three factors that the finance manager should keep in mind while arranging its fixed capital.
- 5. Explain the objectives of Financial Planning. Explain Four Objectives.?