Roll No…………………….. **Total No. of Printed Pages: [01]**

Total No. of Questions: [09]

B. Com (Hons.) (Semester – 6th)
FINANCIAL MANAGEMENT
Subject Code: BCOM1626
Paper ID: [140331]

Time: 03 Hours **Maximum Marks: 60**

Instruction for candidates:

1. Section A is compulsory. It consists of 10 parts of two marks each.
2. Section B consist of 5 questions of 5 marks each. The student has to attempt any 4 questions out of it.
3. Section C consist of 3 questions of 10 marks each. The student has to attempt any 2 questions.

Section – A **(2 marks each)**

Q1. Attempt the following:

a) What is EBIT?
b) What is Balance sheet?
c) Define 'Working Capital' and briefly discuss its components.
d) What do you mean by Dividend?
e) What is meant by 'Time Value of Money'?
f) Differentiate between systematic risk and unsystematic risk.
g) Define 'Financial Leverage'.
h) What is meant by 'Cost of Capital'?
i) Explain the difference between fixed costs and variable costs in financial management.
j) Differentiate between equity financing and debt financing.

Section – B **(5 marks each)**

Q2. Define 'Capital Structure' and explain its importance in financial management. Discuss the factors that influence the capital structure decisions of a company.

Q3. Define 'Capital Budgeting'. Compare and contrast the Payback Period and Net Present Value (NPV) methods of evaluating investment proposals.

Q4. Define 'Financial Planning' and explain its significance for businesses. Discuss the steps involved in the financial planning process.

Q5. What are the objectives of stable dividend policy? Explain different types of Dividend Policy.

Q6. Discuss the factors influencing the determination of the optimal level of working capital in a business.

Section – C **(10 marks each)**

Q7. Discuss the factors that influence the capital structure decisions of a company. Evaluate the different theories of capital structure in terms of their applicability to real-world situations.

Q8. Discuss the various components of the cost of capital. Explain how each component is calculated and its relevance in financial decision making.

Q9. Discuss the different capital budgeting techniques used for evaluating investment projects. Compare and contrast these techniques, highlighting their strengths and weaknesses. Provide examples to demonstrate their application.