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Total No. of Printed Pages: 01

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Business Administration (BBA-MBA Integrated) (Semester – 3rd)

FINANCIAL MANAGEMENT

Subject Code BMBAS1-302

Paper ID: [20390115]

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) Define the scope and nature of financial management.
- b) Differentiate between profit maximization and wealth maximization.
- c) Explain the meaning and significance of the cost of capital
- d) What are the main functions of finance?
- e) What is time value of money?
- f) What is operating leverage?
- g) Briefly describe the payback method for capital budgeting.
- h) What are the factors affecting working capital management?
- i) Explain the relevance of dividend policies.
- j) What is a profitability index?

Section – B

(5 marks each)

- Q2. Discuss the long-term and short-term sources of finance.
- Q3. Compare and contrast the Traditional Approach and the MM Approach to capital structure.
- Q4. Analyze the nature and significance of investment decisions in financial management.
- Q5. Discuss the different factors that influence dividend decisions in a company.
- Q6. Explain the weighted average cost of capital and its significance.

Section – C

(10 marks each)

- Q7. Explain in detail the Net Present Value (NPV) and Internal Rate of Return (IRR) methods of capital budgeting. Compare their advantages and limitations.
- Q8. Discuss the theories of capital structure with a focus on the NI Approach, NOI Approach, and MM Approach.
- Q9. Explain the various forms of dividends and discuss the relevance and irrelevance theories of dividend decisions.