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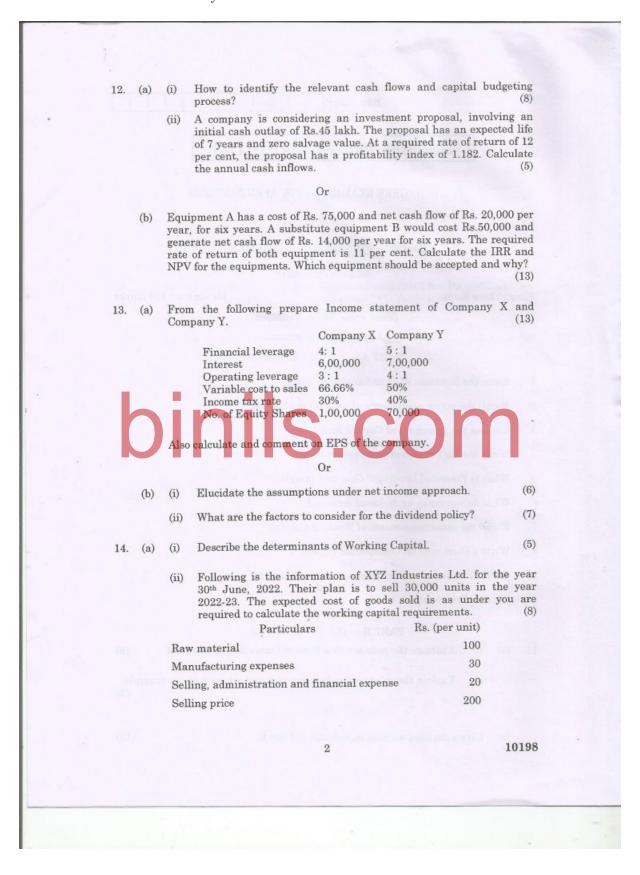
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	Reg. No. :	
13 be made	Question Paper Code: 10198	
	M.B.A. DEGREE EXAMINATIONS, APRIL/MAY 2023.	
	Second Semester	
	BA 4202 – FINANCIAL MANAGEMENT	
	(Regulations 2021)	
Time : Three	e hours Maximum : 100 i	nark
	(Time value Table permitted)	
	Answer ALL questions.	
	PART A — $(10 \times 2 = 20 \text{ marks})$	
1. State t	the functions of financial management.	
2. Recall	the major components of time value of money.	
	the principles of Capital Budgeting.	
5. What is	is Financial Leverage? Give an example.	
6. What d	do you mean by dividend decision?	
7. Recall	the main components of Working Capital.	
8. Write a	a short note on Commercial Papers.	
9. What d	do you mean by Long-term sources of finance?	
10. What is	is Private equity?	
	PART B — $(5 \times 13 = 65 \text{ marks})$	
11. (a) (i		(8
(i	ii) Explain the relationship between risk and return with an exar	nple.
	Or	
(b) G	Give a detailed account on valuation of bonds.	(13

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The duration at various stages of the operating cycle is expected to be as follows:

Raw material stage 2 months

Work-in-progress stage 1 month

Finished goods stage 1/2 month

Debtors stage 1 month

Assume that the monthly sales level of 2,500 units, estimate the gross working capital necessity. Expected cash balance is 5% of the gross working capital necessity, and working progress in 25% complete with respect to manufacturing expenses.

Or

- (b) (i) A manufacturer uses Rs. 10,000 worth of an item in a year. He has estimated the ordering cost as Rs.25 per order and carrying costs as 12.5% of average inventory value. Find the optimal order size, number of orders per year, time period, per order and total cost. (8)
 - (ii) Bring out the advantages and disadvantages of Trade Credit. (5)
- 15. (a) Give a detailed account on the role of Indian Capital Market. (13)

(b) Discuss in detail on the different stages of Venture Capital available to Start-ups. (13)

16. (a) The summarized balance sheet of Sri Ram Ltd. as on 31.12.2016 and 31.12.2017 are as follows:

Liabilities	2016	2017	Assets	2016	2017
Share Capital	1,00,000	1,00,000	Building	46,800	45,000
General Reserve	38,400	42,000	Plant & Machinery	38,280	42,030
Creditors	9,750	6,380	Goodwill	13,000	13,000
Tax provision	19,000	21,000	Investment	10,000	11,250
Doubtful debt	1,000	1,200	Stock	30,000	28,000
			Debtor	22,070	22,300
			Cash	8,000	9,000
	1,68,150	1,70,580	to the set of the	1,68,150	1,70,580

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After taking the following information into account, prepare a cash flow statement for the year ending 31.12.2017.

- (i) The profit for 2016-2017 was Rs.8,600 against this had been charged Dep. Rs. 3,050 and increase in provision for doubtful debt Rs. 200.
- (ii) Income tax Rs. 18,000 was paid during the year charged against the provision and in addition Rs.20,000 was charged against profit and carried to the provision.
- (iii) An interim dividend of Rs.5,000 was paid in January 2017
- (iv) Additional plan was purchased in September 2016 for Rs.5,000
- (v) Investments (Cost Rs.5,000) were sold 2017 for Rs.4,800 and on 1st March 2017 another investment was made for Rs.6,250.

Or

(b) Compare and contrast the Relevance and Irrelevance theories of Dividend.

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