

MBA-107

MSP-16

**M.B.A. DEGREE EXAMINATION —
JUNE 2018.**

First Year

FINANCIAL MANAGEMENT

Time : 3 hours

Maximum marks : 75

PART A — ($3 \times 5 = 15$ marks)

Answer any THREE questions.

1. What are the Objectives of Financial Management?
2. What is Pay Back Period Method. State its advantages.
3. What is Cost of Capital? State its Significance?
4. State the different types of Working Capital.
5. State the different forms of Dividend.

PART B — ($4 \times 15 = 60$ marks)

Answer any FOUR questions.

6. Explain the various Sources of Long Term Finance.

7. Explain Net Income Approach to Capital Structure.
8. The installed capacity of a factory is 600 units. Actual capacity used is 400 units. Selling price per unit is Rs. 10. Variable cost is Rs. 6 per unit. Fixed costs are Rs. 400. Calculate the operating leverage.
9. What are the factors affecting the Dividend decisions of a Firm?
10. Explain the factors that determine the Working Capital.
11. Explain the importance of Weighted Average Cost of Capital.
12. Calculate the Pay back period from the following information assuming that the investment Cost is Rs. 1,00,000.

Year Cash inflow

1	28,000
2	32,000
3	36,000
4	40,000
5	50,000