



QP CODE: 21102365

Reg No : .....

Name : .....

**B.Voc Degree Examinations, SEPTEMBER 2021**

**Fifth Semester**

B.Voc Business Accounting and Taxation

**TBOC502 - FINANCIAL MANAGEMENT**

2018 Admission Only

04E7E726

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Narrate compounding.
2. Discuss the functional areas of financial management.
3. State the voting right of GDR.
4. Why equity share called variable income security?
5. Discuss payback period and post payback profitability.
6. Compare replacement project and expansion project.
7. Explain the significance of capital budgeting.
8. Explain any 2 method of preparing cash budget.
9. Explain operating cycle concept of working capital.
10. Discuss seasonal working capital.
11. What is arbitrage argument?
12. What is reverse split?

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Discuss Routine finance function.
14. What is time value of money? Discuss.
15. Given below the following data of two companies : Particulars A Ltd. B. Ltd. Sales 4,00,000 3,50,000 Variable Cost 40% of Sales 40% of Sales Fixed Cost 25,000 30,000 Interest 1,40,000 80,000 Calculate degree of operating leverage and degree of financial leverage.
16. The following details are available : Existing equity capital 10,000 shares of Rs. 10 each Proposals to Raise Rs. 1,00,000 with following alternatives (a) Debt at 10% (b) Equity capital @ Rs. 10 per share (c) Preference shares of Rs. 10 each @ 12% dividend EBIT Rs. 80,000 Tax Rate 50% Advise which of the method of financing would be most suitable.
17. What criteria must be satisfied for an investment evaluation to be ideal?
18. Differentiate between contingent investment and independent investment.
19. Explain the disadvantage of excessive working capital.
20. What is dividend decision? Explain various forms of Dividend.
21. What is MM approach? State the limitations of MM approach.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Define financial management. Critically evaluate various approaches to the financial management.
23. What is cost of capital? Discuss the classification of cost of capital with examples.
24. Define working capital and explain the determinants of working capital.
25. Discuss dividend theory.

(2×15=30)