23104541

QP CODE: 23104541

Reg No : ....

Name : ....

B.VOC DEGREE REGULAR EXAMINATIONS, JANUARY 2023

Fifth Semester

B.Voc Business Accounting and Taxation

TBOC502 - FINANCIAL MANAGEMENT

2020 Admission Only

40CEF6F7

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

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

1. What do you mean by Profit maximization?
2. Which objective of financial management is superior? Why?
3. Write a very short note on cost of retained earnings.
4. A firm's Ke (return available to shareholders) is 10%, the average tax rate of shareholders is 30% and it is expected that 2% is brokerage cost that shareholders will have to pay while investing their dividends in alternative securities. What is the cost of retained earnings?
5. A project costs Rs. 20,00,000 and yields annually a profit of Rs. 3,00,000 after depreciation @ 12½% but before tax at 50%. Calculate the pay-back period.
6. Discuss the traditional method of capital budgeting.
7. The cost of project is 50000 and it generates cash inflows of 20000, 15000,25000,10000 in 4 years using percent value index method ,appraise profitibility of the proposed investment assuming a 10 percent rate of discount.
8. Explain the concept of networking capital.
9. What is traditional working capital policy?
10. What is matching concept?
11. What is constatant dividend policy?
12. Compare stock split and reverse split.

(10×2=20)

Part B

*Answer any **six** questions.*

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

13. Explain the scope of financial management in marketing and accounting.
14. Briefly Explain the modern approach of financial management.
15. Calculate degree of (i) operating leverage (ii) financial leverage and (iii) combined leverage from the following data : Sales 50,000 units @ Rs. 4 per unit Variable cost per unit 40% Fixed costs – Rs. 1,00,000 Interest charges Rs. 3668
16. The following are the details : A Company B Company Sales 10,00,000 6,00,000 Variable cost 4,00,000 2,40,000 Fixed cost 2,40,000 1,80,000 Interest 1,00,000 1,00,000 Calculate the following : a) Degree of operating leverage and financial leverage of both the firms. b) Comment on the risk position.
17. Explain the operation of any two techniques one a discounting method and another a none-discounting one for evaluation of investment decisions.
18. What is capital budgeting? Explain its needs and importance.
19. Discuss percentage method of working capital.
20. What is dividend theory?Explain Walters model.
21. Compare libral and conservative dividend policy.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. What is financial management? Discuss the objectives of financial management.
23. Raj Textiles Ltd. wishes to determine its cost of equity capital, Ke. The prevailing market price of the share is Rs. 50 per share. The firm expects to pay a dividend of Rs. 4 at the end of the coming year 2003. The dividends paid on the equity shares over the past six years are as follows : Year Dividend (Rs.) 2002 3.80 2001 3.62 2000 3.47 1999 3.33 1998 3.12 1997 2.97 The firm maintained a fixed dividend payout from 1996 onwards. The annual growth rate of dividends, g , is approximately 5 percent.
24. Explain the sources of working capital.
25. What is dividend and why is dividend decision important?

(2×15=30)