Paper Code:BBA3306

School of Management, BBD University

Program: IMBA Sem:4

First Sessional Test Paper Even Sem (2023-24)

Subject: FINANCIAL MANAGEMENT

Time: 60 Minutes Max. Marks: 30

SECTION-A

(This section contains very short answer type questions)

Q. No. 1. Attempt *All parts* of the following: [5*1 = 5]

a) Define Capital Budgeting.

b) Give two examples of Capital Expenditure.

c) As a finance manager suggest which project to select, if for Project A payback period is 5 years and for Project B payback period is 2 years

d) Explain the term new venture capital..

e) Give the formula of Compounding and Discounting used by finance managers.

SECTION-B

Q.No.2. Attempt *any Two* of the following: [7.5*2 = 15]

a) Outline the responsibilities of Financial Manager for maintaining effective control.

b) *Explain in detail the objectives of Financial Management.*

c) *Initial investment Rs 10000, annual cash inflow (after tax but before depreciation) in first four years is Rs 2500 and in next six years Rs 1250, Estimated life 10 years, Salvage value Nil . Calculate Payback Period.*

d) Calculate the discounted payback period if,

Cost of Project- Rs 2400000 Working life of project-5 years

Annual Cash inflows-Rs. 800000 Present Value factor at 10%

Years	1	2	3	4	5
P.V. F	0.909	0.826	0.751	0.683	0.621

SECTION-C

Q. No. 3. Attempt any *One of* the following: [10*1= 10]

a) Discuss in detail the different types of capital budgeting techniques.

b) Differentiate between profit maximization and wealth maximization

c) Elaborate the term Financial Management and also discuss the functions of Financial Management.