MAY 2023 **P/ID 77938/RMB3P**

Time : Three hours Maximum : 80 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions in 50 words each.

1. Define Financial Management.

2. List down the types of Leases.

3. Define Accounting Rate of Return.

4. What are initial Cash flows?

5. When the financial leverage is considered favourable?

6. What do you understand by Cost of capital?

7. What is meant by Capital structure?

8. What is Working Capital?

9. State the motives for holding Cash.

10. Define Cash Terms.

11. What is Private Equity?

12. State the features of Hire Purchase.

PART B — (5 × 6 = 30 marks)

Answer any FIVE questions in 250 words each.

13. Explain the methods of Venture capital financing.

14. Why Capital Budgeting decisions are more important?

15. What is meant by Financial Risk? How does it arise?

16. Explain the various types of Dividend policy followed by companies.

17. Examine the objectives of Receivables Management.

18. Identify the merits and demerits of Payback Period.

19. Point out the importance of Cost of Capital.

PART C — (3 × 10 = 30 marks)

Answer any THREE questions in 500 words each.

20. Describe the important decisions a Manager has to take while performing the Finance Function.

21. Describe the steps involved in the Capital Budgeting process.

22. Illustrate the Weighted Average Cost of Capital concept with an example.

23. Elaborate the factors influencing Capital Structure of a company.

24. How Working Capital is calculated? Explain the factors affecting Working Capital requirements.