

PYBBAAM  
FYBAF.  
XYGAGA

Fin Mgmt  
15/10/19

(L)

Time: 2:30Hours

Marks:75

Notes: 1) Use of Simple Calculator is allowed.

- 2) All workings should form part of the answer.
- 3) All questions are compulsory subject to internal choice.

Q.1.A.Fill in the blanks: Any 8-

(8 Marks)

- 1) Financial Management is management of \_\_\_\_\_.
- 2) Finance is said to be \_\_\_\_\_ of business.
- 3)The invested money can grow and earn interest with the passage of \_\_\_\_\_.
- 4) \_\_\_\_\_ analysis the value of a unit of money of different time.
- 5) Operating leverage is \_\_\_\_\_ divided by EBIT.
- 6) \_\_\_\_\_ affects profit before interest and tax.
- 7) \_\_\_\_\_ is paid out of profit.
- 8) \_\_\_\_\_ is convertibility into cash.
- 9) Cost of equity depends on the \_\_\_\_\_.
- 10) Trade credit is on \_\_\_\_\_ basis.

B. Answer in One sentence: Any 7-

(7 Marks)

- 1) What is value maximization?
- 2) What is financing decision?
- 3) What is risk?
- 4) What is Inflation?
- 5) What is internal financing?
- 6) What is Debenture?
- 7) Mention the two difference between operating and financial leverage.

X Y G A S A

8) Why does the business risk exist?

9) What is cost of capital?

10) What is Historical cost?

Q.2.A. Given below are the information of A & Co. for the year ending 31/03/19'-

Calculate Operating, Financial and Combined Leverage. (15 Marks)

Particulars	Amount (Rs.)
Sales	10,50,000
Variable Cost	7,67,000
Fixed Cost	75,000
Interest	1,10,000
Taxes	30%

OR

Q.2.B. Compute all the Three Leverages from the following information of B. Ltd.

for the year ending 31/12/18'- (15Marks)

Particulars	Amount (Rs.)
Debt (9%)	45,00,000
Equity	55,00,000
Sales	75,00,000
Variable Cost	42,00,000
Fixed Cost	6,00,000
Taxes	35%

Q.3.A. Compute Weighted Average Cost of Capital of C.Co.and D.Co. (15Marks)

Sources of Finance	C.Co.(Rs.)	C.Co. After tax Cost of Capital	D.Co.(Rs.)	D.Co.After tax Cost of Capital
Equity share capital	3,00,000	15%	4,50,000	15%
Debentures	1,00,000	6.3%	3,50,000	7.5%
Retained Earnings	1,20,000	11%	1,00,000	13%
Pref.share capital	80,000	8%	1,00,000	11%

OR

Q.3.B. From the details of E. Ltd., Calculate WACC. on 31/3/19'- (15Marks)

XYGAGA

Particulars	Amount
10% Debentures @Rs.100/-	10,00,000
8% Preference Shares @ Rs.100/-	5,00,000
Equity Shares @ Rs.10/-	20,00,000
Dividend is expected at the end of the year @	3/-per share
Growth rate in Dividend	10%

Tax rate is 40%.

Q.4.A. Find the Present value of Cash flow of F. Co. from- (8 Marks)

Year	Cash Flow (Rs.)	Present value @ 10% Discount Factor
1	1,000	0.909
2	2,000	0.826
3	3,000	0.751
4	4,000	0.683
5	5,000	0.621

Q.4.B. Calculate Redemption Yield of G. Ltd. from- (7Marks)

10% conversion Bonds, quoted- redeemed at Rs.70/- ,cost price Rs.100/-, for 3 years(assumed).

OR

Q.4.A. Find out the Present value of Rs. 4,000/- received after 7 years if the rate of interest is 15%. Find the Future value of Rs.12,000/- for 3 years at 9% compounded annually. (8Marks)

Q.4.B. Calculate Doubling period as per Rule of 72 and 69 if the interest is 7%.

(7 Marks)

Q.5.A. What is Financial Management and write its scope. (8Marks)

Q.5.B. Brief the various types of Financing. (7Marks)

OR

Q.5. Write Short Notes Any 3-

(15Marks)

1) Importance of Financial Management.

XYGAGA

2) Discounting and Compounding.

3) Leverages.

4) Cost of Capital.

5) Equity Shares.

---