Reg. No.

G. VENKATASWAMY NAIDU COLLEGE (AUTONOMOUS), KOVILPATTI - 628 502.



UG DEGREE END SEMESTER EXAMINATIONS - APRIL 2025.

(For those admitted in June 2023 and later)

PROGRAMME AND BRANCH: B.B.A.

SEM	CATEGORY	COMPONENT	COURSE CODE	COURSE TITLE
III	PART - III	CORE - 6	U23BB306	FINANCIAL MANAGEMENT

Date & Session: 24.04.2025/FN Time: 3 hours Maximum: 75 Marks

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Course Outcome	Bloom's K-level	Q. No.	<u>SECTION – A (10 X 1 = 10 Marks)</u> Answer <u>ALL</u> Questions.		
CO1	K1	1.	What is the primary goal of financial management? a) Maximizing sales revenue b) Maximizing profit c) Maximizing shareholder wealth d) Minimizing costs		
CO1	K2	2.	Which of the following is NOT a function of financial management? a) Investment decisions b) Dividend decisions c) Marketing strategy d) Financing decisions		
CO2	K1	3.	The time value of money concept states that: a) Money received today is worth more than the same amount in the future b) Money loses value over time due to inflation c) Future money is worth more than present money d) Both a and b		
CO2	K2	4.	Which financial statement shows a company's financial position at a specific point in time? a) Income Statement b) Cash Flow Statement c) Balance Sheet d) Profit and Loss Statement		
CO3	K1	5.	The weighted average cost of capital (WACC) is used to: a) Calculate the total assets of a company b) Determine the optimal capital structure c) Measure the profitability of a project d) Find the minimum return required to satisfy investors		
CO3	K2	6.	What is the primary difference between debt financing and equity financing? a) Debt financing requires repayment, while equity financing does not b) Equity financing involves loans from banks c) Debt financing does not require interest payments d) Equity financing is cheaper than debt financing		

CO4	K1	7.	If a project has a positive Net Present Value (NPV), it means: a) The project is unprofitable b) The project will break even c) The project is expected to add value to the company d) The project has a low return		
CO4	K2	8.	Which ratio measures a company's ability to meet its short-term liabilities? a) Debt-to-Equity Ratio b) Current Ratio c) Return on Investment (ROI) d) Earnings Per Share (EPS)		
CO5	K1	9.	The capital budgeting technique that considers the time value of money is: a) Payback Period b) Accounting Rate of Return (ARR) c) Net Present Value (NPV) d) None of the above		
CO5	K2	10.	Which financial metric indicates how efficiently a company is using its assets to generate profit? a) Gross Profit Margin b) Return on Assets (ROA) c) Debt-to-Equity Ratio d) Quick Ratio		
Course Outcome	Bloom's K-level	Q. No.	$\frac{\text{SECTION} - B}{\text{Answer }} \text{(5 X 5 = 25 Marks)}$ Answer $\frac{\text{ALL }}{\text{Questions choosing either (a) or (b)}}$		
CO1	КЗ	11a.	Explain the objectives of financial management. (OR)		
CO1	КЗ	11b.	State the sources of finance in detail.		
CO2	КЗ	12a.	Connote the factors affecting capital structures. (OR)		
CO2	К3	12b.	An Indian Fashion privatet limited is financed by a mix of equity and debt:		
			 a) Equity Capital: ₹50 lakh (cost of equity = 12%) b) Debt Capital: ₹30 lakh (cost of debt = 8%) c) Corporate Tax Rate: 30% Calculate the WACC of the company. 		
CO3	K4	13a.	Outline the importance calculating Net present Value.		
CO3	K4	13b.	(OR) A Car manufacturing company in India is considering investing in a project that requires an initial investment of ₹5,00,000. The project is expected to generate the following cash inflows over the next four years:		
			Year Cash Inflow (₹)		
			1 1,50,000 2 2,00,000		
			3 1,80,000		
			4 1,70,000		
			The company's required rate of return (discount rate) is 10% per annum. Calculate the Net Present Value (NPV) and determine whether the project should be accepted or rejected.		

CO4	K4	14a.	Write down the provisions in company law for declaring dividend.
			(OR)
CO4	K4	14b.	Illustrate the M.M. Hypothesis Dividend model.
CO5	K5	15a.	Elucidate the factors influencing working capital.
			(OR)
CO5	K5	15b.	Generalise the benefits of working capital calculation.

Course Outcome	Bloom's K-level	Q. No.	Answe		5 X 8 = 40 Marks) choosing either (a) or (b)
CO1	КЗ	16a.	Describe the functions of financial management. (OR)			
CO1	К3	16b.	Identify the role of financial manager in financial management.			
CO2	K4	17a.	List out the methods for determining debt and equity proportion of capital structure. (OR)			
CO2	K4	17b.	ABC Ltd., an Indian company, wants to calculate its cost of equity using the Capital Asset Pricing Model (CAPM). The following data is available: a) Risk-free rate (Rf) = 6% (10-year Government bond yield) b) Market return (Rm) = 14% (Expected return on NIFTY 50 index) c) Beta (β) of ABC Ltd. = 1.2 Calculate the cost of equity (Ke) using the CAPM formula.			
CO3	K4	18a.	Write a short note		d capital rationing. OR)	
CO3	K4	18b.		ing to invest in a	new project that receeted cash inflows f	
			ſ	Year	Cash Inflow (₹)]
			-	1	3,00,000	
				$\frac{1}{2}$	2,50,000	_
				3	2,00,000	
				4	2,50,000	
				5	1,50,000	_
CO4	K5	19a.	initial investment	•	ch is the time requir	red to recover the
CO4	КЭ	19a.	Summarise the fa	_	OR)	
CO4	K5	19b.	Analyse the Walte	•	l method of calculat	ing dividend
CO5	K5	20a.	Enumerate the components of working capital. (OR)			
CO5	K5	20b.	XYZ Ltd., an India Current Assets: Cash: ₹50,000 Accounts Receival Inventory: ₹2,30,0 Prepaid Expenses	ble: ₹1,20,000 000	vides the following fi	nancial details:

	Current Liabilities:
	Accounts Payable: ₹90,000
	Short-term Loans: ₹1,10,000
	Outstanding Expenses: ₹30,000
	Calculate the Working Capital and determine if the company has sufficient short-term liquidity.