

--	--	--	--	--	--	--	--

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



UG DEGREE END SEMESTER EXAMINATIONS - NOVEMBER 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: 10.11.2025/AN

Time : 3 hours

Maximum: 75 Marks

Course Outcome	Bloom's K-level	Q. No.	SECTION – A (10 X 1 = 10 Marks) Answer ALL Questions.
CO1	K1	1.	Which of the following is not a feature of a financial plan? a) Simplicity b) Cost c) Flexibility d) Foresight
CO1	K2	2.	Which is the main competing goals for the finance manager? a) Assets b) Incorporation c) MOU d) Liquidity and profitability
CO2	K1	3.	Which refers to make-up of a firm's capitalization? a) Capital structure b) Capital budgeting c) Equity shares d) Dividend policy
CO2	K2	4.	Which of the following has the highest cost of capital? a) Equity shares b) Loans c) Bonds d) Preference shares
CO3	K1	5.	Which one of the following is a long-term planning for financing proposed capital outlay? a) Capital Budgeting b) Budgeting c) Cash Budget d) Sales Budget
CO3	K2	6.	Which of the project can be selected if its profitability index is more than Percentage? a) 1% b) 3% c) 5% d) 10%
CO4	K1	7.	Which of the following factors does not influence a company's dividend policy? a) Company's earnings b) Company's growth opportunities c) Company's dividend history d) Company's inventory level
CO4	K2	8.	Who supported the relevance theory? a) Walter b) Gordon c) Walter and Gordon d) Modigliani miller
CO5	K1	9.	Which of the following is an example of working capital? a) Machine b) Building c) Raw material d) Long term fund
CO5	K2	10.	which capital is needed to meet the seasonal requirements of the business? a) Gross Working Capital b) Reserve Margin Working Capital c) Net working capital d) Fluctuating Working Capital

Course Outcome	Bloom's K-level	Q. No.	SECTION – B (5 X 5 = 25 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)
CO1	K3	11a.	Identify the Objectives and Importance of Finance. (OR)
CO1	K3	11b.	Write the Sources of Finance.
CO2	K3	12a.	Identify the Factors Affecting the Capital Structure. (OR)
CO2	K3	12b.	Gowtham Ltd will expecting an annual EBIT of Rs 2,00,000. The company has Rs 7,00,000 in 10% debentures. The cost of equity capital or capitalisation Rate is 12.5% you are required to calculate the value of firm and also ascertain certain overall cost of capital.
CO3	K4	13a.	Illustrate A Project required an initial investment Rs 20,000. And the Annual cash inflow for 5years. Rs 8,000, Rs 7,000, Rs 5,000, Rs 6,000 and Rs 4,000 respectively calculate the payback period. (OR)
CO3	K4	13b.	Analyze the advantages of Capital Budget.
CO4	K4	14a.	Dissect the different approaches of dividend theory. (OR)
CO4	K4	14b.	Correlate the following information related to Abinavy Ltd 1. Earning Per Share Rs.9 2. Internal Rate of Return 18% 3. Cost of Capital 12% 4. Pay-out Ratio 33.33%. Compute the market price under the Walters Model.
CO5	K5	15a.	Judge the factors influencing Working Capital. (OR)
CO5	K5	15b.	From the following particulars compute i) Net Operating Cycle Period ii) Number of Operating Cycle in a year iii) The amount of Working Capital a) Period Covered 360 Days b) Average Period allowed by Suppliers 30 days c) Average Period allowed by debtors 45 days d) Raw Materials Consumed during the year Rs. 6,00,000 e) Average Stock of Raw Materials Rs.50,000 f) work-in-progress inventory Rs.5,00,000 g) Average work-in-progress inventory Rs 30,000 h) Finished goods inventory Rs.8,00,000 i) Average Finished goods Stock held Rs.40,000 j) Total cost of sales Rs.8,40,000

Course Outcome	Bloom's K-level	Q. No.	SECTION – C (5 X 8 = 40 Marks) Answer <u>ALL</u> Questions choosing either (a) or (b)
CO1	K3	16a.	Write the Functions of Financial Management. (OR)
CO1	K3	16b.	Identify the Role of Financial Manager.

CO2	K4	17a.	Examine the Theories of Capital Structure. (OR)																																
CO2	K4	17b.	Alpha Ltd has an all equity Capital Structure consisting of 20,000 equity shares of Rs.100 each. The management plans to raise Rs.30 lakhs to finance a programme of expansion. Three alternative methods of financing are under consideration i)Issue of 30,000 new Shares of Rs.100 each ii)Issue of 30,000 8% debentures of Rs.100 each iii) Issue of 30,000 8% Preference Shares of Rs.100 each The company expected earnings before interest and tax (EBIT) is Rs.10 lakhs. Determine the earnings per share in each alternative assuming a corporate tax 50%. Which alternative is best way.																																
CO3	K4	18a.	A company is considering to purchase a machine. Two machines are available X and Y costing Rs. 50,000. Earnings after taxation are expected to be as follows: <table><tr><th rowspan="2">Years</th><th colspan="2">Earning after Tax</th></tr><tr><th>Machine X</th><th>Machine Y</th></tr><tr><td>1</td><td>15,000</td><td>5,000</td></tr><tr><td>2</td><td>20,000</td><td>15,000</td></tr><tr><td>3</td><td>25,000</td><td>20,000</td></tr><tr><td>4</td><td>15,000</td><td>30,000</td></tr><tr><td>5</td><td>10,000</td><td>20,000</td></tr></table> Evaluation the two alternatives according to: a) Pay back method b) Return on investment method c) Net present value method (cost of capital 10%). Assume straight line methods of deprecation. The discount is as under: <table><tr><th>Year</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th></tr><tr><td>D.F</td><td>0.909</td><td>0.826</td><td>0.751</td><td>0.683</td><td>0.621</td></tr></table> (OR)	Years	Earning after Tax		Machine X	Machine Y	1	15,000	5,000	2	20,000	15,000	3	25,000	20,000	4	15,000	30,000	5	10,000	20,000	Year	1	2	3	4	5	D.F	0.909	0.826	0.751	0.683	0.621
Years	Earning after Tax																																		
	Machine X	Machine Y																																	
1	15,000	5,000																																	
2	20,000	15,000																																	
3	25,000	20,000																																	
4	15,000	30,000																																	
5	10,000	20,000																																	
Year	1	2	3	4	5																														
D.F	0.909	0.826	0.751	0.683	0.621																														
CO3	K4	18b.	Analyze the Significance of Capital Budgeting.																																
CO4	K5	19a.	Prove the Relationship of Dividend Policy and the value of shares according to Gordon’s Model. Earning per share 5. Rate of Return 0.30. Cost of Capitalisation 0.20. when Retention Ratio is 40% and 60% (OR)																																
CO4	K5	19b.	Evaluate the Earning Per Share of P Ltd Rs.20 the rate of capitalization is 12% and the rate of return on investment is 9%. Compute the market price per share using Walter’s Model of the dividend pay-out is 20%, 60% and 100%.																																
CO5	K5	20a.	Evaluate the Types of Working Capital. (OR)																																
CO5	K5	20b.	G company sells goods in the home market and earns a gross profit of 20% on sales. Its annual figures are as follows i) Sales Rs 3,00,000 ii) Materials Used Rs.1,08,000 iii) Wages Rs.96,000 iv) Manufacturing Expenses Rs 30,000 v) Administration Expenses Rs 1,20,000 vi) Depreciation Rs.12,000 vii) Selling Expenses Rs.18,000																																

			viii) Income Tax Payable in two instalments of which one falls in the next year Rs.30,000 Additional Information: a) Credit given by Suppliers – 2 Month b) Credit allowed to Customers – 1 Month c) Lag in payment of Wages – ½ Month d) Lag in payment of Administration Expenses - 1 Month e) Selling Expenses are paid quarterly in advance f) Raw Materials and Finished Goods are in stock for 1 Month g) Cash Balance estimated to be maintained at Rs.30,000 You are required to Prepare a Statement of Working Capital Requirement.
--	--	--	--