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Reg. No.....

Name.....

**B.B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2018**

**Fifth Semester**

**Core Course—FINANCIAL MANAGEMENT**

[2013 Admission onwards]

Time : Three Hours

Maximum Marks : 80

**Part A**

*Answer all questions.*

*Each question carries 1 mark.*

1. Define Financial Management.
2. What is wealth maximisation ?
3. What are debentures ?
4. What is working capital ?
5. What is cost of capital ?
6. What are reserves ?
7. What is leverage ?
8. Mention the theories of capital structure.
9. Define dividend ?
10. What is rights issue ?

(10 × 1 = 10)

**Part B**

*Answer any eight questions.*

*Each question carries 2 marks.*

11. What is trading on equity ?
12. What is fund flow analysis ?
13. What is money market ?
14. What are Preference shares ?
15. What are convertible debentures ?
16. What is reorder level ?

**Turn over**

17. What is the cost of debt issued at par ?
18. What is the cost of capital according to earning price (E/P) approach ?
19. What is historical cost ?
20. How is the value of the firm determined by Net operating income approach ?
21. How is operating leverage computed ?
22. What is capital gains ?

(8 × 2 = 16)

### Part C

*Answer any six questions.*

*Each question carries 4 marks.*

23. Is wealth maximisation better than profit maximisation ? Justify.
24. Explain open end mutual funds.
25. Explain cost of equity capital.
26. Write notes on stable dividend policy.
27. For what purpose does the company issue rights shares ?
28. Discuss the scope of finance function.
29. What are the objectives of financial management ?
30. What is the tax implications when dividend is issued to the company ?
31. What is capital reserve ?

(6 × 4 = 24)

### Part D

*Answer any two questions.*

*Each question carries 15 marks.*

32. What is meant by working capital management ? What are the determinants of working capital needs of an enterprise ?
33. Discuss the factors influencing capital structures.
34. What are the advantages of issuing bonus shares to the company and the investors.
35. What is receivables management? What is the cost of maintaining receivables.

(2 × 15 = 30)