

Roll No. ....

Exam Code : D-18

Subject Code—0592

**B.B.A. (Second Year) EXAMINATION**

(Batch 2009 to 2017)

FINANCIAL MANAGEMENT

BBA-205

*Time : 3 Hours*

*Maximum Marks : 70*

**Section A**

**Note :** Attempt any *Seven* questions. **7×5=35**

**1.** Write short notes on the following :

- (i) Preference Share
- (ii) Wealth Maximization
- (iii) Working capital cycle
- (iv) Cost of capital
- (v) Why pay back period method is popular ?

(3-101-16-0119)**J-0592**

**P.T.O.**

- (vi) Financial Leverage
- (vii) Gordon's model
- (viii) Present value
- (ix) Optimal capital structure
- (x) Trade credit.

### Section B

**Note :** Attempt all the questions.

2. What is Financial Management all about ?  
What are the various types of decisions to be taken by a finance manager ?

*Or*

Explain the various sources of raising in a business. What are the pros and cons associated with each source of finance ? **12**

3. What are the principles followed in estimating the cash flows in capital budgeting ? Explain the process of capital budgeting.

*Or*

Explain the importance of working capital management. Explain and illustrate the profitability liquidity tradeoffs in working capital management. **12**

4. Critically explain the MM approach to capital structure as an extension of NOI approach. How the arbitrage is done through MM approach ?

*Or*

What are the issues involved in dividend policy decision ? What factors influence the dividend policy decision ? **11**