Retained earnings.	1
12.5% Debentures	
(Fully paid of ₹ 100 each)	8
12% Term loan	4

Additional Information :

(a) Currently Quoted Prices in the Stock Exchange. Equity shares ₹ 64.25, preference shares @ ₹ 90, Denbetures @ 95.

(b) For the last year, the company had paid equity dividend of ₹ 8 per share which is expected to grow @ 5% p.a. forever.

(c) The corporate Tax Rate is 30%. Calculate weighted Average Cost of capital using Book Weights.

Or

Make a comparison between NPV and IRR methods. Which one of the two you find to be more rational and why ?

Roll No. .... **Exam Code : J-19**

Subject Code—0272-X

M. B. A. EXAMINATION

(Prior to 2009 batch Re-appear)

(Second Semester)

FINANCIAL MANAGEMENT

CP-202

Time : 3 *Hours* *Maximum Marks :* 100

Section A

Note : Attempt any *Seven* questions. **7×7=49**

1. What are the objectives of financial modeling ?

2. State the significance of stability of dividend.

3. What is CVP Analysis ?

4. What is the importance of time value of money ?

5. Explain the equity share capital as a long-term source of finance.

6. What are the objectives of cash management ?

7. Define optimum capital structure.

8. State the various methods of internal financing.

9. What is financial analysis and control ?

10. State the shortcomings of NOI approach of capital structure.

Section B

Note : Attempt all the questions. **17×3=51**

11. "It has been traditionally argued that the objective of a firm is to earn profit, hence the objective of financial management is also profit making." Comment.

Or

X Ltd. has estimated that for a new product its break-even-point is 2,000 units if the items is sold for ₹ 14 per unit; the cost accounting department has currently identified variable cost of ₹ 9 per Unit. Calculate the degree of operating leverage for sales volume of 2,500 units and 3000 units. What do you infer from the degree of operating leverage at the sales volume of 2,500 and 3,000 and their difference if any ?

12. ABC Ltd. has the following capital structure as per its Balance Sheet as at 31st March, 2009;

Particulars	**₹ in lakhs**
Equity share capital	
(Fully paid shares of ₹ 10 each)	4
18% preference share capital	
(Full paid shares of ₹ 100 each)	3

13. State the role which receivables of play in the overall financial picture of the firm.

Or

What are the essentials of Walter's dividend model ? Explain its short-comings.

13. State the role which receivables of play in the overall financial picture of the firm.

Or

What are the essentials of Walter's dividend model ? Explain its short-comings.