



DCAM – 403



**IV Semester B.B.A. (Aviation Management)
Examination, September/October 2023
(NEP-Freshers)
FINANCIAL MANAGEMENT**

Time : 2½ Hours

Max. Marks : 60

Instructions : Answer should be completely written in **English** only.

SECTION – A

1. Answer **any five** out of seven sub questions, **each** carries **two** marks. **(5×2=10)**
- a) State the meaning of Finance.
 - b) Mention any four functions of Financial Management.
 - c) Mr. Ram who deposited Rs. 1,000/- in a SB a/c @ 3% simple interest and he wants to know the total amount receivable after a period of 5 years.
 - d) Define optimum capital structure.
 - e) List any three Limitations of Pay back period.
 - f) What is stock dividend ?
 - g) What is the meaning of working capital ?

SECTION – B

Answer **any three** out of five questions, **each** carries **four** marks. **(3×4=12)**

- 2. Draw the organisation structure of Finance Department.
- 3. From the following information calculate Financial and Operating Leverage.

Sales 10,000 units @ Rs. 30 p.u., variable cost Rs. 6 p.u., fixed cost Rs. 30,000 and Interest cost is Rs. 16,000.

- 4. What do you mean by Pay back period ? List out the Advantages.
- 5. Explain the factors determine Financial plan.

P.T.O.



6. Prepare an estimate of working capital requirement from the following information of a trading concern.

Projected Annual sales 1,20,000 units @ Rs. 10 p.u., percentage of Net Profit on sales 30%.

Average credit period allowed to customers 10 weeks, Average credit period allowed to suppliers 5 weeks.

Average stock holding in terms of sales requirements 5 weeks.

Allow 15% for contingencies.

SECTION – C

Answer **any three** questions out of five questions. **Each** question carries **10** marks.

(3×10=30)

7. Explain the goals of Financial management.
8. Explain the factors affecting capital structure.
9. Explain in detail the different determinants of working capital requirements of a company.
10. Zeneth Co. Ltd. is considering the purchase of a Machine. Two Machines are available each costing Rs. 3,00,000 in comparing the profitability of these two Machines a discount rate of 10% is to be used. Earning after tax are expected to be as follows :

Years	Machine A Rs.	Machine B Rs.
1	90,000	30,000
2	1,20,000	90,000
3	1,50,000	1,20,000
4	90,000	1,80,000
5	60,000	1,80,000



Following are the P.V. factor of Re. 1 at 10% P.a. for the years 1 to 5.

Year

PV @ 10%

Evaluate :

- 1) Pay Back period.
 - 2) Accounting Rate of Return (ARR).
11. It is proposed to start a business requiring a capital of Rs. 10,00,000 and an assumed return of 15% on Investment. Calculate the EPS if :
- i) The entire capital is raised by means of Rs. 100 equity shares and
 - ii) If 50% is raised from equity share and 50% capital is raised by means of 10% Debentures (Tax rate is 50%).

SECTION – D

Answer **any one** out of two questions. **Each** carry **eight** marks.

(1×8=8)

12. Adani Group is an Indian multinational conglomerate founded in 1988 by Gautam Adani. The company has grown to become one of the largest companies in India, with operations in several sectors including ports, logistics, agribusiness, real estate and renewable energy. On the other hand Hidenburg Research is a research firm specializing in short selling and uncovering financial and operational issues in publicly traded companies. Analyse the case of Adani Group and express your views on this claims made by Hidenburg Research Team.
13. Coal India Limited (CIL) is an Indian Central public sector undertaking under the Ownership of the Ministry of Coal, Government of India. It is head quartered in Kolkata. It is the largest government owned coal producer in the World. It is also the seventh largest employer in India with nearly 2,72,000 employees. The Company's market capitalization is 1,38,230 Crores. Over the past 5 years, the company has resulted in an overall 15.36% decrease in the market share. What is the impact of dividend policies and strategies of Coal India on the share price ?
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(1x8=8)

SECTION - D

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(1x4=4)

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