

BACHELOR OF TECHNOLOGY (CBCS) (2021-COURSE)
B. Tech. Sem - VII Computer Science & Business Systems : WINTER : 2024
SUBJECT: FINANCIAL MANAGEMENT

Day : Monday
Date : 09/12/2024

W-24198-2024

Time : 02:30 PM-05:30 PM
Max. Marks : 60

N.B.

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable calculator is allowed.
- 4) Assume suitable data if necessary.

Q.1 Define Financial Management and explain its importance in achieving the goals of an organization. (10)

OR

Q.1 A company has borrowed ₹ 5,00,000 for a new project. The loan terms specify interest rate 8% per annum compounded quarterly and the tenure of the loan is 5 years. The company plans to repay the loan in equal quarterly instalments. (10)
i) Calculate the quarterly instalment amount.
ii) Find the total interest paid over the loan terms.

Q.2 Explain an acronym CAPM. State its formula with example and how is it calculated. (10)

OR

Q.2 A company's expected dividend next year is ₹ 5 and the dividends are expected to grow at a constant rate of 4%. If the required rate of return is 10%. Calculate the stock's value. (10)

Q.3 Define combined leverage and elaborate its formula, advantages, disadvantages with example. (10)

OR

Q.3 A company's fixed cost is ₹ 5,00,000 variable cost per unit is ₹ 100 and the selling price per unit is ₹ 200. Calculate the breakeven sales volume in units. (10)

Q.4 Elaborate the concept capital budgeting and its techniques. What are the key steps involve in capital budgeting? (10)

OR

Q.4 A company has the following capital structure: (10)
Debt ₹ 20,00,000 at an tax cost of 7%.
Preference capital : ₹ 10,00,000 at cost of 9%.
Equity ₹ 30,00,000 at a cost of 12%
Calculate the Weighted Average Cost of Capital.

Q.5 What is Cash Management? Analyse the motives for cash management and benefits of effective cash management. (10)

OR

Q.5 A company has current assets of ₹ 8,00,000 and current liabilities of ₹ 5,00,000. If the company finances 40% of its current assets with long term funds. Calculate the amount financed through short term sources and long-term sources. (10)

Q.6 What is meant by credit and collection policies? Discuss types and components of credit policy with examples. (10)

OR

Q.6 A company's credit sales is ₹ 18,00,000 and the average accounts receivable is ₹ 3,00,000. Calculate the accounts receivable turnover ratio and the average collection period. (Assume 360 days in a year) (10)

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