

Exam. Code : 225802

Subject Code : 104917

M.Com. 2nd Semester (Batch 2023-25) (CBGS)

MC-202 : FINANCIAL MANAGEMENT

Time Allowed—3 Hours]

[Maximum Marks—100

Note :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. What are the decision making areas of financial management ? How is the goal of wealth maximization a better operative criterion than profit maximization ?
2. Critically explain the MM approach to capital structure. Explain with suitable examples the arbitrage process of MM approach on capital structure.

SECTION—B

3. What is capital budgeting and what are its important steps ? Compare and contrast NPV vs. IRR as method of appraising capital investments. Which method is better and why ?
4. How dividend may be considered as irrelevant for the value of the firm ? In practice, how and in what forms the profit can be distributed by a firm ?

SECTION—C

5. Explain the concept of financial leverage. Explain the impact of financial leverage on the EPS. Does the financial leverage always increase the EPS ?
6. What is working capital cycle ? Explain the factors considered while determining the needs for working capital.

SECTION—D

7. What are the factors affecting cash needs ? Briefly explain the various models for optimal cash balance.
8. What are the decision making areas of receivables management ? Explain the various ways of appraising the credit worthiness of the customer.

weekypoetry.com