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Roll No.

BB904

M.B.A. EXAMINATION, May 2019

(Second Semester)

(B Scheme) (Re-appear)

MBA108B

FINANCIAL MANAGEMENT

Time : 3 Hours]

[Maximum Marks : 75

Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

Note : Attempt *Five* questions in all, selecting at least *one* question from each Unit. All questions carry equal marks.

(1-06/26) **M-BB904**

P.T.O.

Unit I

1. "Shareholders wealth maximization is simply extension of profit maximization to a world that is uncertain and multi-period in nature." Elucidate the statement with appropriate examples. **15**
2. Explain any *three* long term sources of finance with their importance and relevance. **15**

Unit II

3. Differentiate NPV and PI techniques of capital budgeting with numerical example. In your opinion which technique is best, if we compare NPV and PI ? Give the reasons also. **15**
4. Differentiate Risk adjusted discount rate method and certainty Equivalent coefficient method of risk evaluation techniques of capital budgeting with numerical example. **15**

Unit III

5. Explain the process of computing overall cost of capital with examples and describe the importance of cost of capital in financing decision-making. **15**
6. Explain the following : **7½×2=15**
 - (a) EBIT-EPS relationship
 - (b) Relevance of Traditional approach of capital structure.

Unit IV

7. Explain the factors affecting dividend decision in banking sector in India with examples. **15**
8. Explain any *two* techniques of Inventory management with examples. **7½×2=15**