

Time : 3 Hours]

[Maximum Marks : 80

Section - 'A'

Note :- Attempt four question. Each question carries 8 marks.

1. What are the objectives of financial management ? Explain.
2. Give difference between shares and debentures ?
3. Define capital structure. Explain the net income approach theory ?
4. Give difference between ARR and NPV ?
5. Define working capital. Explain the various type of working capital ?
6. Explain the importance of Du-Pont analysis ?
7. Define venture capital. What are its uses ? Explain.
8. What are the assumption of Gordon ? Model approach of dividend theory ?

SECTION - 'B'

Note :- Attempt any three question. Each question carries 16 marks.

9. Define cost of capital. How would you calculate weighted average cost of capital ? Explain with example.

10. What factors are determined the need of working capital in a manufacturing industry ? Describe.

11. What are the methods of capital budgeting technique. Describe the present value method, with example ?

12. The fixed costs amount to Rs. 50,000 and the percentage of variable cost to sale is given to be  $66\frac{2}{3}\%$ . If 100% capacity sales are Rs. 3,00,000, findout the break even point and the percentage sales, when it occurred. Determine profit at 80% capacity.

13. The following figures relate to two companies.

	P Ltd.	Q Ltd.
	Rs.	Rs.
	in lakhs	in lakhs
Sales	500	1000
Variable cost	200	300
Fixed cost	150	400
Inerest	50	100

You are required to :

- (i) Calculate the operating, financial and combined leverages for the two compaines.
- (ii) Comment on the relative risk position of them.