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D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1
SEMESTER EXAMINATIONS
NOVEMBER - 2017
FINANCIAL MANAGEMENT

15CBA5B

Time : 3 Hrs

Max.Marks : 75

SECTION-A (10 x 2 =20)

Answer ALL the questions.

1. Define financial management.
2. Define Leverage.
3. Name any two short-term solvency ratios.
4. What is meant by money market?
5. State the purpose of long term finance.
6. Mention any two factors determining long term finance.
7. What do you understand by cost of capital?
8. Write a note on ZBB.
9. Give a brief note on financial information system?
10. State the meaning of the term financial forecasting.

SECTION-B (5 x 5 =25)

Answer any FIVE of the following questions.

11. Discuss the functions of financial management.
12. State the advantages of cost volume profit analysis.
13. Calculate the operating, financial and combined leverage from the following information.

Sales	Rs.50,000	Variable costs	Rs. 25,000
Interest	Rs. 5,000	Fixed costs	Rs.15,000
14. A company issues 8 % debentures of Rs.1,000 face value to be redeemed after 10 years. The debenture is expected to be sold at 5% discount. It will also involve flotation costs of 2.5% of face value. The company's tax rate is 35%. Compute the cost of debt.
15. Distinguish between shares and debentures.
16. Enumerate the recommendations of K.B. Chore committee.
17. Trace out the factors determining cost of capital.
18. Enlist the important types Financial Information System.

SECTION-C (3 x 10 =30)

Answer ALL the questions.

19. (a) Explain the relationship between financial management with other disciplines.
(Or)
(b) Enlist and explain the tools of financial statement analysis.

20. (a) From the following Balance Sheet compute (i) Gross working capital and (ii) Networking capital.

BALANCE SHEET AS ON 31.12.16			
Liabilities	Rs.	Assets	Rs.
Share capital	9,00,000	Fixed Assets:	7,00,000
Reserves	1,00,000	Current Assets:	
Current Liabilities:		Cash	60,000
Bank loan	1,00,000	Investments	1,00,000
Creditors	60,000	Debtors	1,40,000
Bills payable	40,000	Inventory	2,00,000
	12,00,000		12,00,000

(Or)

(b) List out the sources of long term finance.

21. (a) Enlist the different methods of computing cost of capital.

(Or)

(b) Discuss the characteristics and tools of a sound financial managerial information system.

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