

TILAK MAHARASHTRA UNIVERSITY
Bachelors of Business Administration (Distance)

Home Assignment - IInd year – Semester III

Marks : 80

Financial Management

ode : 71313

Note :

- * The Paper consists of two sections I & II
- * Attempt any 4 questions from Section I
- * Questions from Section I carry equal marks
- * Section II is Compulsory

Section – I

Q 1 a) What do you mean by Financial Management ? Explain the scope of Financial Management. (15)

OR

Q.1 b) Explain Indian Financial system. Also give description regarding 3 instruments as money Market.

Q 2 a) What are the sources of long term and medium term finance ? Explain any 3 of them. (15)

OR

Q.2 b) Explain how ratio analysis helps in analysis ? interpretation of financial Statement

Q.3 a) Explain the four theories to determine the optimum capital structure. (15)

OR

Q.3 b) What is Leverage ? Explain financial, operating & combined Leverage with example (15)

Q.4 a) Why is it important to manage working capital ? What are the factors determining the requirement of working capital ? (15)

OR

Q.4 b) Describe the factors that influence payment of Dividend.

Q 5) Write short notes : (Any 3) (20)

- (i) Quick ratio & current ratio
- (ii) Operating leverage
- (iii) Pay back method of evaluation
- (iv) Cash budget
- (v) Economic order quantity

Section – II

A project requires an initial investment of 700,000 and the expected profit after tax & depreciation are as follows :

Year	PATD
1	70,000
2	95,000
3	1,00,000
4	1,00,000
5	50,000

	3,25,000

If the life of project is 5 years and scrap value is 80,000, calculate :

- (i) NPV @ 10%
- (ii) Accounting rate of return