



Roll No

**PRESIDENCY UNIVERSITY
BENGALURU****SCHOOL OF MANAGEMENT****MAKE-UP EXAMINATION****Semester:** SEMESTER – III - 2020**Date:** 23-Jan- 2023**Course Code:** MGT131**Time:** 1.00PM -4.00**Course Name:** Financial Management**Max Marks:** 100**Program & Sem:** BBA III Sem**Weightage:** 50 %**Instructions:***Read the all questions carefully and answer accordingly.***Section – A****Answer all the Questions. Each question carries 2 marks.****(10Qx 2M= 20M)**

1. Define Financial Management. **(2 Marks, CO-01, Knowledge)**
2. Write any functions of finance manager. **(2 Marks, CO-01, Knowledge)**
3. What do you meant by TVM? **(2 Marks, CO-02, Knowledge)**
4. What is debenture? **(2 Marks, CO-02, Knowledge)**
5. Define Pay-back Period. **(2 Marks, CO-03, Knowledge)**
6. Write a formula of Combined Leverage. **(2 Marks, CO-03, Knowledge)**
7. What do you meant by Working Capital. **(2 Marks, CO-04, Knowledge)**
8. Write any two factors affecting working capital. **(2 Marks, CO-04, Knowledge)**
9. What do you meant by Cash Management. **(2 Marks, CO-05, Knowledge)**
10. Define receivable Management. **(2 Marks, CO-05, Knowledge)**

Section – B**Answer all the Questions. Each question carries 10 marks.****(4Qx 10M= 40M)**

11. "To avoid the problem of shortage and surplus of funds", what is required in financial management? Define the concept and describe it. **(10 Marks, CO – 01, Knowledge).**
12. The time value of money (TVM) is the concept that a sum of money is worth more now than the same sum will be at a future date due to its earnings potential in the interim. With reference to above, Explain the types of cash flows related to time value of money. **(10 Marks, CO – 02, Comprehension)**

13. The balance sheet of a company is as under :

Liabilities	Amount	Assets	Amount
Equity Capital(RS.10)	60,000	Fixed Assets	1,75,000
10% Debentures	80,000	Current Assets	25,000
Retained Earnings	20,000		
Current Liabilities	40,000		
	2,00,000		2,00,000

The company's total asset turnover is 3 times, its Fixed Cost is 1,00,000 and its Variable Cost is 40% of Sales, Tax rate is 40%.

Calculate Operating Leverage, Financial Leverage and Combined Leverage.

(10 Marks, CO – 03, Comprehension).

14. Working Capital indicates liquidity levels of companies for managing its daily expenses covering inventory, accounts payable, accounts receivable. With reference to this statement, Explain the sources of working capital. **(10 Marks, CO – 04, Comprehension).**

Section - C

Answer all the Questions. Each question carries 20 marks.

(2Qx 20M= 40M)

15. Calculate the present value of the following series of payments made at the end of each year for a period of 5 years at 12% discount rate.

Cash flow at the end of 1st year – Rs.11,000

Cash flow at the end of 2nd year – Rs.12,000

Cash flow at the end of 3rd year – Rs.13,000

Cash flow at the end of 4th year – Rs.14,000

Cash flow at the end of 5th year – Rs.15,000

(20 Marks, CO2, Comprehension)

16. A company has an investment opportunity costing Rs 40,000 with the following expected net cash flows after tax and depreciation.

Year	Net Cash flows (Rs)	Year	Net Cash flows(Rs)
1	Rs. 7,000	6	Rs.8,000
2	Rs.7,000	7	Rs.10,000
3	Rs.7,000	8	Rs.15,000
4	Rs.7,000	9	Rs.10,000
5	Rs.7,000	10	Rs.4,000

Determine and interpret the following:

a. Payback Period

b. NPV @ 10% discount factor

c. Profitability @ 10% discount factor

d. IRR using 10% and 15% discount factor.

(20 Marks, CO3, Comprehension)
