S.No. 8021 | **24DPBA11**

(For the candidates admitted from 2024 – 25 onwards)

M.B.A. DEGREE EXAMINATION, AUGUST 2025.

Second Semester

FINANCIAL MANAGEMENT

Time : Three hours | Maximum : 75 marks

PART A — (10 × 2 = 20 marks)

Answer ALL questions.

1. Define Financial Management.

2. What is money market?

3. Define capital budget.

4. What is IRR?

5. What is EBIT?

6. Define cost of capital.

7. What is optimum capital structure?

8. What is bonus shares?

9. Define working capital.

10. What is financial analytics?

PART B — (3 × 5 = 15 marks)

Answer any THREE questions.

11. Explain the objectives of Financial Management.

12. Explain the benefits of crypto currency.

13. Explain EBIT – EPS analysis.

14. Discuss the different types of dividend.

15. Explain the objectives of Receivables Management.

PART C — (5 × 8 = 40 marks)

Answer ALL questions. Choosing either (a) or (b)

16. (a) Explain the scope of Financial Management.

Or

(b) Explain the various benefits of Micro Finance.

17. (a) Discuss the capital budgeting process.

Or

(b) Murugan Spinning Mills Ltd., is considering two mutually exclusive proposals 'A' and 'B'.

Particulars	Year	Proposal 'A' Rs.	Proposal 'B' Rs.
Expected cash out flow	0	2,25,000	3,75,000
Expected cash in flows	1	1,10,000	2,00,000
	2	75,000	1,50,000
	3	50,000	1,00,000
	4	50,000	20,000
	5	20,000	–

Assuming the discount rate as 10% suggest which proposal can be select? Use NPV method.

18. (a) A company issued 1,00,000 equity shares of Rs. 100 each

(i) Shares issued at par value

(ii) Shares issued at discount of 5%

(iii) Shares issued at premium of 10%

If the expected dividend is 15% and the expected market price is Rs. 120 per share.

Calculate the cost of equity capital.

Or

(b) Explain the significance of cost of capital.

19. (a) Explain the various factors affecting capital structure.

Or

(b) A company has an operating income (EBIT) of Rs. 2 crores. The cost of debt is 10% and outstanding debt amount to Rs. 8 crores. The overall capitalisation rate is 12.5%.

You are require to calculate :

(i) Total value of the firm.

(ii) Equity capitalisation rate use under NOI approach.

20. (a) Explain the various factors affecting working capital.

Or

(b) Discuss the various sources of working capital.