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BBA 4th Semester (N.S.) 2014-17 Examination,
May-2025

FINANCIAL MANAGEMENT
Paper-BBAN-401

Time allowed : 3 hours] [Maximum marks : 80

Note : Q. No. 1 from Section-A is compulsory. Attempt four questions from Section-B by taking one from each unit. All questions carry equal marks.

Section-A

- I. Explain :
- Scope of Financial Management
 - Payback Period method
 - Financial risk
 - Leverage
 - Ideal Capital structure
 - Need for Working Capital
 - Safety Stock
 - Collection Cost

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Unit-III

- What are the various factors that affect capital structure ?
- What is 'indifference point' and why is it so called ? What is its usefulness ?

Unit-IV

- Explain briefly various techniques of Cash management.
- What is Stable Dividend Policy ? Explain the factors that determine the dividend policy of a company.

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Section-B

Unit-I

- Discuss the functions of financial management.
- How is wealth maximisation objective better than profit maximisation objective ? Explain.

Unit-II

- Project X initially costs Rs. 30,000. It generates following cash flows :

Year	Cash Inflows (₹)	Present value of Rs 1 at 10%
1	9000	0.909
2	8000	0.826
3	7000	0.751
4	6000	0.683
5	5000	0.621

Taking the cut off rate at 10%, suggest whether the project should be accepted or not.

- What is Cost of Retained Earnings ? How do we calculate weighted average cost of capital ?

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