

- xv) Write a note on importance of Funds Flow Statement.

SECTION-C

Note: Long answer type questions. Attempt any three questions. 3x10=30

- Q.3 Explain the concept of capital budgeting and what is its practical utility?
- Q.4 Distinguish between Computing Simple Interest and Compound Interest under TVM. Also give their formulae.
- Q.5 Explain the inter-relationship between Investment, Financing and Dividend Decisions.
- Q.6 Explain the meaning, importance and objectives of Funds Flow Statement.
- Q.7 Distinguish between "Funds Flow Statement" and "Cash Flow Statement".

OR

Dena Ltd. has current ratio of 3:1 and a quick ratio of 1.5:1. If its stock is Rs.45,000. Find out its current assets and current liabilities.

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Roll No.

3rd Sem. / FAA/DBM

Subject : FINANCIAL MANAGEMENT-I

Time : 3 Hrs.

M.M. : 100

SECTION-A

Note: Very Short Answer type questions. Attempt any 15 parts. (15x2=30)

- Q.1 a) What is the need of capital budgeting?
- b) What is meant by a "Cash Flow Statement"?
- c) Define Financial Management.
- d) When does flow of funds takes place?
- e) Write a note on capital budgeting process.
- f) Name two reasons for Time Preference of Money.
- g) Give two major inflows and outflows of cash from financing activities.
- h) Give two limitations of capital budgeting.
- i) Give two managerial uses of Funds Flow Statement.

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- j) What is the formula for computing Simple interest?
- k) Define discounting under TVM.
- l) Bring out the scope of Financial Management.
- m) Name two functions of Financial Management.
- n) Name three Current Assets.
- o) Name Liquidity Ratios.
- p) Name two applications of Funds Flow Statement.
- q) Discuss Debt-Equity Ratio.
- r) Classify into operating, investing and financing activities:-
 - a) Issue of shares Rs.2,00,000
 - b) Sales of goods Rs.5,00,000

SECTION-B

Note: Short answer type questions. Attempt any ten parts 10x4=40

- Q.2 i) What are the limitations of capital budgeting?

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- ii) What are the major cash inflows and outflows from financing activities?
- iii) Describe "Indirect Method" of computing cash from operating activities.
- iv) Explain Debtors Turnover Ratio.
- v) Write a short note on Net Present Value as a technique of capital budgeting.
- vi) Calculate Current Ratio with imaginary figures.
- vii) What are the objectives of Financial Management?
- viii) What is the use and significance of Ratio Analysis?
- ix) Write short notes on concept of Compounding.
- x) What are the Qualities of Financial Manager?
- xi) What are the limitations of Funds Flow Statements?
- xii) Write short notes on Perpetuity.
- xiii) Define profit maximisation and what are its advantages?
- xiv) What are the functions of Financial Management?

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