



K17U 2032

Reg. No. :

Name :

III Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.)

Examination, November 2017

(2014 Admn. Onwards)

Core Course (Optional)

3B06COM (FINANCE) : FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks: 40

PART – A

I. Answer **all** questions. **Each** carries **1/2** marks.

1. _____ is the period at which the original cost of investment in a project is recouped.
2. NPV stands for _____
3. The excess of current assets over current liabilities is known as _____
4. EBIT stands for _____ **(4× 1/2 =2)**

PART – B

II. Answer **four** questions. **Each** carries **one** mark.

5. What is Financial Management ?
6. What is profit maximization ?
7. Define cost of capital.
8. What is over capitalization ?
9. What is EPS ?
10. What is gross working capital ? **(4×1=4)**

P.T.O.



PART - C

III. Answer **any six** questions (**not** exceeding one page.) **Each** carries **three** marks.

11. Discuss :

- 3
- a) Payback method and
 - b) Average rate of return method.

12. What is capital rationing ?

13. What are the essential features of a sound capital structure ?

14. What are the arguments in favor of wealth maximization ?

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15. What is capital budgeting ? What are the discounted cash flow techniques used for investment decision making ?

16. What is MM approach ?

17. What are the major problems in the determination of cost of capital ?

18. What is meant by operating cycle of working capital ? (6×3=18)

PART - D

IV. Answer **any two** questions. **Each** carries **eight** marks.

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19. What are the objectives of Financial Management ? Discuss the arguments for and criticisms against these objectives.

20. Define working capital. What are the factors influencing the requirement of working capital ?

21. What is capital structure ? Briefly discuss the theories of capital structure. (2×8=16)
