QP Code: R253C004 | Reg. No | | | | | | | | | | | AR24

GANDHI INSTITUTE OF ENGINEERING AND TECHNOLOGY UNIVERSITY, ODISHA, GUNUPUR
(GIET UNIVERSITY)

B. B. A (Third Semester Regular & Supplementary) Examinations, Nov., 2025

23BBAPC23004– Financial Management

Time: 3 hrs | Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A **(2 x 10 = 20 Marks)**

Q.1. Answer ***ALL*** questions

		CO #	Blooms Level
a.	Define Financial Management.	CO1	K1
b.	Write any two objectives of Financial Management	CO1	K1
c.	Write down about Profitability Index.	CO2	K2
d.	Explain the meaning of Payback Period.	CO2	K2
e.	Define WACC.	CO3	K1
f.	Write down about Capital Structure.	CO3	K2
g.	Explain about the Dividend Policy	CO4	K2
h.	Give the meaning of working capital	CO5	K2
i.	Write down about operating cycle	CO5	K2
j.	Differentiate between Dividend Relevance theory and Dividend Irrelevance theory	CO4	K3

PART – B **(8 x 5 = 40 Marks)**

Answer ***all*** the questions

		Marks	CO #	Blooms Level
2. a.	How to prepare NPV @8% compound interest by assumed figure.	4	CO2	K4
b	Explain the fundamental principles of finance?	4	CO2	K2
	(OR)			
c.	Mr. A invested ₹2,00,000 in a Project and will generate the following inflows:	8	CO2	K5

End of Year	Cash inflow (₹)
1	80,000
2	90,000
3	70,000
4	60,000

You need to calculate the Net present value and interpret it.

3.a.	Explain the functions, scope and role of Financial Management in modern business organisations.	8	CO1	K3
	(OR)			
b.	What are the goals of Financial Management? Discuss profit maximisation vs wealth maximisation in detail.	8	CO1	K2
4.a.	Define Dividend Policy. Explain the factors that influence dividend policy in a business organisation	8	CO4	K3
	(OR)			
b.	Explain the different sources of long-term finance available to a company.	8	CO3	K3

5.a.	A company needs ₹10,00,000 for expansion. There are two financing plans: already it is having 50000 shares of ₹ 10 each. Plan A (Equity): Issue 1,00,000 new equity shares. Plan B (Debt): Raise entire ₹10,00,000 as debt at 10% p.a.; Assume corporate tax = 30%. Expected EBIT = ₹4,00,000. Compute EPS under both plans at EBIT = ₹4,00,000 and state which plan gives higher EPS.	8	CO3	K6
	(OR)			
b.	Explain the different forms of dividend. Give examples for each form.	8	CO3	K4
6.a.	The following data is extracted from the books of XYZ Ltd. (for the year 2024). Calculate net Operating Cycle Period. Raw material consumed = ₹4,50,000 Average raw material stock = ₹75,000 Average WIP = ₹45,000 Average finished goods = ₹90,000 Average debtors = ₹1,60,000 Average creditors = ₹1,10,000 Cost of goods sold (COGS) = ₹7,20,000 Sales (assume all credit) = ₹9,00,000 Assume credit purchases = raw material consumed (₹4,50,000) Use 360 days as working period.	8	CO5	K6
	(OR)			
b.	Write down the merits of adequacy of working capital.	8	CO5	K2

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