

Institute of Defence Studies & Research (IDS^R)
5 Years Integrated M.B.A Programme
IMBA in Public Health and Hospital Management

PHM BBA CC 501

IMBA SEMESTER – V EXAMINATION (Repeater)
Subject : Financial Management in Hospital (FMH)

Date: 25/04/2024

Duration: 2.5 Hours

Marks:70

- Instructions :** (1) This paper contains **FIVE** questions.
 (2) All questions are compulsory.
 (3) Question No.2, 3, 4 have internal options.
 (4) Figures in the right side in parenthesis indicate marks.

- Q:1 i.** A firm is considering an expenditure of ₹ 75 lakhs for expanding its operations. The relevant information is as given below. Compute the cost of existing equity share capital and of new equity capital assuming that new shares will be issued at a price of ₹ 92 per share and the cost of new issue will be ₹ 2 per share. The other information is as follows: **(14)**

1. Number of existing equity shares = 10 lakhs
2. Market value of existing share = ₹100
3. Net earnings = ₹100 lakhs

- ii.** ABC Ltd. Has the following capital structure. You are required to calculate the weighted average cost of capital, assuming 50% as the rate of income – tax, before and after tax.

Particulars	Amount(₹)
Equity (expected dividend 12%)	1000000
10% Preference Share	500000
8% loan	1500000

- Q:2** What do you mean by preference shares? Explain the features and methods of valuation of preference shares in detail. **(14)**

OR

- Q:2** What do you mean by a bond? Explain the features and various types of valuation of a bond in detail. **(14)**

- Q:3** Explain the techniques of risk analysis in capital budgeting in detail. **(14)**

OR

- Q:3** Explain decision tree approach in detail. **(14)**

- Q:4** Explain the term 'dividend policy'. Discuss all the types of dividend policies in detail. **(14)**

OR

- Q:4** Explain the term 'dividend'. Discuss all the types of dividend in detail. **(14)**

- Q:5** Write a note on MM dividend theory model. **(14)**

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