

## MBA in DM (Rep) Sem.-2 Examination

DM-202

FFM

Time : 2-30 Hours]

May-2025

[Max. Marks : 70

- Q1 Write short note on: (14)
- a) Scope of Financial Management
- b) Components of Financial System

- Q2 Attempt the following: (14)
- (a) Mr. Z deposits Rs. 30,000 in the beginning of every year for 15 years at the rate 8% p.a. How much will he get after the expiry of 10 years?
- (b) Mr. X will make 5 equal annual payments of Rs. 20,000 each in his deposit account that pays 15% interest compounded annually. Find the future value of the series at the end of 5 years.

Or

- Q2 Attempt the following: (14)
- a) Mr. Dinesh deposits Rs. 30,000 in the beginning of every year for 15 years at the rate 8% p.a. How much will he get after the expiry of 10 years?
- b) Mr. X will make 5 equal annual payments of Rs. 20,000 each in his deposit account that pays 15% interest compounded annually. Find the future value of the series at the end of 5 years.

- Q3 What is working capital management? Explain the factors affecting working capital management. (14)

Or

- Q3 What is capital structure? Explain the theories of capital structure in detail. (14)

- Q4 The following information is available in respect of the inventory costs of a firm: (14)
- Total Annual consumption = 500 units
- Cost per unit = Rs. 5
- Order Cost = Rs. 10
- Carrying cost = 20% of the value
- Discount of 5% has been offered on an order of 150 units. Evaluate the discount offer.

Or

- Q4 The following information is available for the company (14)

	₹
Equity Share capital (face value ₹ 10 per share)	4,00,00
Share Premium	1,00,000
Reserves	3,00,000
12% perpetual debentures (face value ₹100 per debenture)	2,00,000

An annual dividend of ₹3 has just been paid by the company. The expected growth rate in annual dividends is 10% p.a. which is expected to continue forever. Equity shares are quoted at ₹ 33 in the market and debentures at 80%. Ignore taxes. Calculate WACC based on market value weights.

(P.T.O)

N493-2

Q5 A company is considering an investment proposal to install new milling controls. The project will cost € 50,000. The facility has a life expectancy of 5 years and no salvage value. The company tax rate is 35%. The firm uses straight line depreciation. The estimated profit before depreciation from the proposed investment proposal are as follows: (14)

Year	Profit
1	10,000
2	11,000
3	14,000
4	15,000
5	25,000

Compute the following:

- (a) Pay-back period.
  - (b) Average rate of return.
  - (c) Internal rate of return.
  - (d) Net present value at 10% discount rate.
  - (e) Profitability index at 10% discount rate.
-