

Register No.: ..... Name.: .....

**SAINTGITS COLLEGE OF ENGINEERING (AUTONOMOUS)**

(AFFILIATED TO APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY, THIRUVANANTHAPURAM)

**SECOND SEMESTER MBA DEGREE EXAMINATION (S), MAY 2024  
2020 SCHEME****Course Code : 20MBA104****Course Name: Financial Management****Max. Marks : 60****Duration: 3 Hours*****Special instructions: Statistical tables with PV and FV factors may be used by students.*****PART A*****(Answer all questions. Each question carries 2 marks)***

1. What is Beta?
2. Explain is time value of money?
3. What is Written Down Value Method in deprecation?
4. Outline the concept EOQ
5. What is Earning per Share?

**PART B*****(Answer any 3 questions. Each question carries 10 marks)***

6. Explain the concept of capital budgeting and discuss the various techniques used to evaluate potential investment projects.
7. Summarize the factors that influence the capital structure decisions of a firm.
8. Summarize the factors affecting the composition of working capital?
9. What is a Dividend Policy? What are the dividend policies followed by the Indian companies?
10. KL Co. Ltd wishes to arrange overdraft facilities with its bankers during the period April to June 2020. Make use of the given information and prepare a cash budget for the above period, indicating the extent of bank facilities the company will require at the end of each month.

Month	Sales	Purchase	Wages
February	1,90,000	1,14,000	9000
March	1,94,000	1,24,000	12,000
April	1,06,000	2,43,000	11,000
May	1,74,000	2,56,000	11,000
June	1,26,000	2,64,000	13000

Additional Information:

- 50% of credit sales are realized in the month following the sales and the remaining 50% in the second month following.
- Creditors are paid in the month following the month of purchase.
- Wages are paid on the first of very next month
- Cash at bank on 01/04/2020 Rs. 15000

**PART C**

*(Compulsory question, the question carries 20 marks)*

11. A. Omega Ltd, a manufacturing firm in New Delhi, is planning to make an investment which will cost Rs 8,50,000. Cash inflows associated with the projects are as follows. Rs 2,20,000, Rs, 2,40,000, Rs 2,85,000, Rs 3,00,000 and Rs 3,50,000. The company expects that the machine can be sold at a rate of Rs 50,000 at the end of the life period. The company follows straight-line method for depreciation and is in a 25% tax bracket. Determine NPV. (10 Marks)
- B. Briefly explain various instruments used to mobilize capital. (10 Marks)

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