

Total No. Of Questions : 4]

SEAT No. :

P-1896

[Total No. Of Pages : 2

[6033]-606

T.Y.B.B.A.

**605 B: Financial Management
(2019 Pattern) (Semester - VI)**

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates :

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*
- 3) *Use of Simple Calculator is allowed.*

Q1) Fill in the blanks

[5]

- a) IPO stands for _____
- b) _____ are given priority in payment of dividends over the Equity Shareholders.
- c) _____ is the decision about the proportion of different sources of long term funds required for running a company.
- d) Acquiring fixed assets on excessive amounts leads to _____
- e) Profitability Index is also termed as _____

Q2) Write short notes (any Three)

[15]

- a) Hire Purchasing
- b) Internal factors affecting Capital Structure.
- c) Causes of Under Capitalization
- d) Weighted Average Cost of Capital
- e) Mutually Exclusive Proposals

P.T.O.

Q3) Explain in brief the following sources of long term finance with its characteristics. [15]

- Lease Financing
- Preference Shares
- Debentures

OR

What is Capital Budgeting? Explain in detail "Discounted Cash Flow methods/ Time Adjusted Methods" under Capital Budgeting.

Q4) a) Calculate Financial Leverage. [5]

Production Capacity	10000 Units
Actual Production	70% of Budgeted Capacity
Selling Price Per Unit	Rs.10
Variable Cost	50% of Sales
Fixed Cost	Rs. 10000
10% Debentures	Rs. 50000
Corporate Tax	40%

b) Two Firms Babita Ltd. and Sunita Ltd Have the following data available. [10]

	Sales	Variable Cost	Fixed Cost	Interest
Babita Ltd	180000	45000	90000	10000
Sunita Ltd	140000	70000	38000	5000

Calculate for both the firms:

- Operating Leverages
- Financial Leverages
- Combined Leverages

