NOVEMBER 2024 **72267/250C3B**

Time : Three hours Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions in about 30 words each.

Write short notes on the followings:

1. Public finance
2. Capital budgeting
3. Retained earnings
4. Debenture
5. Cost of equity
6. Dividend policy
7. ARR
8. Net present value method
9. Dividend
10. Legal regime
11. Current asset and current liability
12. Credit policy

SECTION B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions in about 200 words each.

13. Why business need finance? Explain types of finance needs.

14. Bring out the advantages and disadvantages of preference shares.

15. What is capital structure? How it differ from financial structure?

16. The expected EBIT of a firm is Rs. 2,00,000. It has issued equity share capital with K_e @ 10% and 6% debt of Rs. 5,00,000. Find out the value of the firm and the overall cost of capital, WACC.

17. Define IRR and discuss the steps involved in computation of IRR.

18. Critically examine Walter's relevance theory of dividends.

19. Elucidate the forecasting of working capital requirements. Briefly explain the objectives and importance of finance for a business organization.

SECTION C — ($3 \times 10 = 30$ marks)

Answer any THREE questions in about 500 words each.

20. Describe the several functions of financial management with suitable examples.

21. Discuss the factors that affect capital structure determination.

22. Elaborate the various techniques of capital budgeting with their merits and limitations.

23. Describe the factors, which influence the dividend policy of a firm.

24. What is the need to maintain optimum working capital? Discuss the consequences of inadequate and excess working capital.

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