



K21U 1931

Reg. No. :

Name :



III Semester B.Com. Degree CBCSS (OBE) Reg./Sup./Imp.
Examination, November 2021

(2019-2020 Admission)

Core Course (Optional)

3B04 COM : (Finance – I) FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **any six** questions from the following. **Each** question carries **1** mark.

1. List out the important "Financial Decisions".
2. What is "Net Operating Cycle" ?
3. What do you mean by variable working capital ?
4. Explain "Operating Leverage".
5. What are the different forms of Capital Structure ?
6. Make a note on "Cost of Capital".
7. Briefly explain "Stock Dividend".
8. What is "No Dividend Policy" ?

(6×1=6)

PART – B

Answer **any six** questions from the following. **Each** question carries **3** marks.

9. Explain different types of dividend.
10. Differentiate Gross Working Capital and Net Working Capital.
11. Explain ARR Method of Investment Evaluation.

P.T.O.



12. A company issues Rs. 1,00,00,000/- 10% redeemable debentures at a discount of 5%. The flotation costs are Rs. 30,000/-. The debentures are redeemable after 5 years. Calculate the cost of debt capital if the tax rate applicable to the company is 50%.
13. A company issues 10,000/- 10% preference shares of Rs. 100/- each. Cost of issue is Rs. 2/- per share. Calculate cost of preference capital if the shares are issued :
- at par
 - a premium of 10% and
 - at a discount of 5%.
14. Explain the objectives of "Financial Management".
15. Explain different dividend policies adopted by a firm".
16. Explain the significance of "Cost of Capital". (6×3=18)

PART – C

Answer **any two** questions from the following. **Each** question carries **8** marks.

17. Explain the factors determining working capital requirements.
18. "There are various methods for the evaluation of investment proposals". Discuss.
19. Briefly explain various theories of capital structure. (2×8=16)
-