

**Fourth Semester FYUGP Degree (Reg) Examination April  
2026**

**KU4DSCBBA202/KU4DSCBBH202 - FINANCIAL  
MANAGEMENT**

2024 Admission onwards

Time : 1.5 hours

Maximum Marks : 50

**Section A**

Answer any 6 questions. Each carry 2 marks.

1. What is permanent working capital.
2. What is regular working capital?
3. List the steps in capital budgeting.
4. What is capital budgeting?
5. What is the dividend yield method?
6. State any two causes of undercapitalization.
7. What do you mean by dividend decision?
8. What do you mean by wealth maximisation?

**Section B**

Answer any 4 questions. Each carry 6 marks.

9. The current market price of an equity share of a company is 90. The last year dividend per share is 4.50. In case the dividends are expected to grow at the rate of 7%, calculate the cost of equity capital.
10. Discuss the various approaches to calculate cost of Equity?
11. Explain how external factors influence capital structure decisions.
12. Explain the scope of financial management.
13. Explain the objectives of wealth maximisation?
14. Explain the objectives of profit maximisation ?

**Section C**

Answer any 1 questions. Each carry 14 marks.

15. Explain the meaning, concepts and factors affecting working capital?
16. A company is considering an investment in a project that costs 2,00,000 and has an expected life of 5 years with zero salvage value; the company uses straight-line depreciation and the tax rate is 40%; the estimated earnings before depreciation and tax (EBDT) for the 5 years are 70,000, 80,000, 1,20,000, 90,000 and 60,000 respectively; using the present value factors at 10% (0.909, 0.826, 0.751, 0.683 and 0.621), calculate the Net Present Value (NPV) and advise whether the project should be accepted.

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