Regulation R-18 *Subject code:* B142PC3

TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

(Autonomous, Accredited by NAAC with 'A' Grade)

MBA II Semester Regular / Supplementary Examinations,October2020

FINANCIAL MANAGEMENT

Maximum Marks: 70 Date:20.11.2020 **Duration: 2 hours**

PART - A

Answer *All* the following Questions **(5 × 2M = 10 Marks)**

1. Define finance function.
2. Discuss EBIT-EPS analysis.
3. Write about Accounting rate of return.
4. Explain rights issue.
5. Write about cash budget.

PART - B

Answer any FIVE Questions **(5 × 12M = 60 Marks)**

6. Explain in detail the goals of financial management.

7. Discuss about Agency relationship and costs.

8. Define Capital budgeting. Explain significance of capital budgeting.

9. A company with 12% cost of capital and limited investment source of Rs. 1,00,000, is planning to choose an investment alternate from the following

years	Project A	Project B
1	10,000	22,000
2	15000	22,000
3	25,000	22,000
4	30000	22,000
5	35,000	22,000

Analyze and Rank the project according to NPV and IRR methods of Capital Budgeting.

10. Explain NI & NOI approaches on capital structuring.

11. Venkat Intel Company Ltd., expects an operating income of Rs. 1,00,000. The company has 12% debt of Rs.3,00,000. The company's overall cost of capital is 13%. Calculate the total value of the firm and the equity capitalization rate.

12. Define working capital cycle. Diagrammatically represent its components.

13. Explain various sources of working capital.

14. What is EOQ? Explain the assumptions and limitations of EOQ.

15. Cash sales during the year 1, 50,000
    Credit sales during the year 2, 70,000
    Returns inwards 20,000
    Trade debtors in the beginning 55,000
    Trade debtors at the end 45,000
    Provisions for bad and doubtful debts 5,000
    Calculate –Debtors Turnover ratio,- Average collection period.