

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**B.B.A. DEGREE EXAMINATION – BUSINESS ADMINISTRATION**FIFTH SEMESTER – **NOVEMBER 2023****UBU 5501 – FINANCIAL MANAGEMENT**

Date: 30-10-2023

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Q. No	Answer ALL Questions:	(10 x 2 = 20 Marks)
1	List any two objectives of Financial Management.	
2	Give the formula for future value.	
3	Define the cost of capital.	
4	Give the formula for retained earnings when the personal tax rate is given.	
5	Define Optimum capital structure.	
6	What is called as point of indifference?	
7	Give the formula for the Payback period.	
8	What is called a dividend policy?	
9	Define Working capital.	
10	List the types of Working capital.	

PART – B

Answer any FOUR Questions:		(4 x 10 = 40 Marks)	
11	Describe the role of the financial manager.		
12	Explain the other Objectives of Financial management.		
13	A company issued a debt worth Rs 700,000 to expand its factory. It established a sinking fund to retire this debt in five years and made deposits into it at the end of every year. If the fund was earning 7% compounded semi-annually, calculate the periodic payment deposited into the fund.		
14	JJ Limited issued 7500, 8% preference shares of Rs 100 each at a premium of 10%. The shares are redeemable at par after 7 and a half years. The floatation cost is 5 %. Compute the effective cost of redeemable preference capital.		
15	Dewwy Ltd has an EBIT of Rs 4,50,000. The cost of Debt is 10% and the outstanding debt is Rs 1, 20,000. The overall capitalization rate is 15%. Calculate the total value of the firm and equity capitalization rate under the NOI approach.		
16	Find the degree of Operating Leverage from the following data.		
		EBIT (2005)	40000
		Sales (2005)	20000
		EBIT (2006)	50000
		Sales (2006)	28000

