Printed Page:- 04		Subject Code:- NPGDM034 Roll. No:	
	NOIDA INSTITUTE OF ENGINEERING	AND TECHNOLOGY, GREATER NOIDA	
	MCA IN	ISTITUTE	
		Affiliated to AKTU, Lucknow)	
		iDM	
		EXAMINATION (2023 - 2024)	
Time	Subject: Financ e: 2.5 Hours	ial Management Max. Marks: 60	
	al Instructions:	Wax. Warks. ou	
		on paper with the correct course, code, branch	
etc.			
1. This	Question paper comprises of three Se	ctions -A, B, & C. It consists of Multiple Choice	
	ions (MCQ's) & Subjective type questions		
		ated on right -hand side of each question.	
	strate your answers with neat sketches w	herever necessary.	
	ume suitable data if necessary. ferably, write the answers in sequential c	order	
	·	ten material after a blank sheet will not be	
	ited/checked.		
	SECTIO	ON A 15	
1. Atte	empt all parts:-		
1-a.	The finance manager's role is to: (CO	1) 1	
	(a) ensures that the funds are		
	(b) maintains the financial heal	•	
	(c) effective supervision of capi		
	(d) obtains capital assets of the		
1-b.	Capital budgeting is the process (CO2	_	
1-0.	,		
	(a) which help to make master		
	•	now much capital to invest in business	
	•	hich long-term investments to make.	
	•	make available various finance to the business	
1-c.	Capital Structure refers to : (CO3)	1	
	(a) Current assets and current	liabilities	

	(b) Shareholders equity (c) Long term debt, preferred stock and common stock options		
	(d) None of the above		
1-d.	. Working capital is also known as (CO4)		
	(a) Current Assets Minus Current Liability		
	(b) Operating capital		
	(c) Current assets capital		
	(d) Capital relating to main projects of the company		
1-e.	The instruments of money market is (CO5)	1	
	(a) Call money		
	(b) Certificate of deposits		
	(c) Trade bills		
	(d) All of the above		
2. Attem	pt all parts:-		
2.a.	Write short note on functions of a finance manager. (CO1)	2	
2.b.	rite a shot note on NPV. (CO2)		
2.c.	efine capital structure.(CO3)		
2.d.	me the various kinds of working capital. (CO4)		
2.e.	Discuss the importance of Indian financial system.(CO5)		
	SECTION B	15	
3. Answe	er any <u>three</u> of the following:-		
3-a.	Explain the objectives or goals of financial management.(CO1)	5	
3-b.	Explain the steps involved in capital budgeting process.(CO2)		
3.c.	Explain the effects on equity shareholders of additional financing through debentures.(CO3)	5	
3.d.	Prepare an estimate of working capital requirement from the following information of a trading concern.	5	
	Projected annual sales Rs. 6,50,000 Percentage of net profit on sales 25% Average credit period allowed to debtors 10 Weeks Average credit period allowed by creditors 4 Weeks Average stock holding in terms of sales requirements 8 Weeks Allow 20% for contingencies (CO4)		

3.e. Define financial system. Explain the structure of the financial system. (CO5)

SECTION C

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4. Answer any one of the following:-

- 4-a. "Finance is the oil of wheel, the marrow of the bones, the blood of the veins 6 and the spirit of all trade and industry". Explain it. (CO1)
- 4-b. "It has traditionally been argued that the objective only of a company is to earn 6 a profit, hence the objective of the financial management is also a profit maximization". Comment.(CO1)

5. Answer any one of the following:-

- 5-a. "NPV method ensures maximization of wealth of the shareholders in the long 6 run.' Comment.(CO2)
- 5-b. A company is considering whether to purchase a new machine. Machines A and 6 B are available for Rs 80,000 each. Earnings after taxation are as follows:

Year Machine A		Machine B
	Rs	Rs
1	24,000	8,000
2	32,000	24,000
3	40,000	32,000
4	24,000	48,000
5	16,000	32,000

Required: Evaluate the two alternatives using the following: (a) payback method, (b) Average rate of return on investment method, (c) Post Payback Profitability. You should use a discount rate of 10%. (CO2)

6. Answer any one of the following:-

- 6-a. An optimal combination of the decisions relating to investment, financing and 6 dividends will maximize the value of the firm to its shareholders. Examine. (CO3)
- 6-b. A Company Expects a net income of Rs. 100000. It has Rs. 300000, 8% 6
 Debentures. The equity Capitalization rate of the company is 10%. Calculate the value of the firm and overall capitalization rate according to the Net Income Approach. (CO3)

7. Answer any one of the following:-

7-a. Explain the importance of proper planning and control of working capital in a 6 large manufacturing concern and the techniques that are used for planning and control of working capital. (CO4)

7-b. Prepare an estimate of working capital requirement from the following information of a trading

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Projected annual sales 8,000 units

Selling price Rs. 10 per unit

concern.

Percentage of net profit on sales 20%

Average credit period allowed to customers 8 Weeks

Average credit period allowed by suppliers 4 Weeks

Average stock holding in terms of sales requirements 12 Weeks

Allow 10% for contingencies. (CO4)

8. Answer any one of the following:-

- 8-a. Explore the role of stock exchange operators and regulatory authorities in 6 ensuring market integrity and investor protection through effective surveillance and enforcement mechanisms.(CO5)
- 8-b. Trace out the development of the financial system in India.(CO5)

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