

Register Number :

Name of the Candidate :

**6 6 1 6**

**M.B.A. DEGREE EXAMINATION, 2013**

**(HUMAN RESOURCE MANAGEMENT)**

**(FIRST YEAR)**

**( PAPER - V )**

**150 / 120 / 140. FINANCIAL  
MANAGEMENT**

*( Common with M.B.A.  
[ Marketing Management ] and  
Financial Management )*

May ] [ Time : 3 Hours

Maximum : 75 Marks

**SECTION – A (5 × 3 = 15)**

1. *Write short notes on any FIVE of the following:*

- (a) Wealth maximization.
- (b) Net working capital.

**Turn Over**

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- (c) Inventory.
- (d) Rights issues.
- (e) Merger.
- (f) Cash cycle.
- (g) Sweat Equity shares.
- (h) Venture Capital.

**SECTION – B (3 × 10 = 30)**

*Answer any THREE questions.  
ALL questions carry EQUAL marks.*

1. Explain the scope of finance function.
2. Discuss the different approaches for determining the working capital financing mix.
3. Describe the right issue procedure.
4. Explain fully the Walter's formulation on dividend policy with its assumptions and criticisms.
5. What is leasing? Explain its different types.

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**SECTION – C (1 × 15 = 15)**

*Answer any ONE question.*

6. "Financial management is nothing but managerial decision making on asset mix, capital mix and profit allocations" – Explain.
7. How will you classify cost of capital? State the problems in the determination of cost of capital.
8. Explain the nature and factors which influence the dividend policy of a firm.

**SECTION – D (1 × 15 = 15)**

*( Compulsory )*

9. Consider the following data for a certain item purchased by MG Ltd.

Annual usage 6,000 units.

Fixed cost per order ₹ 400.

Purchase price per unit ₹ 100.

Carrying cost 20% of inventory value.

What is the Economic Order Quantity?

Now a discount of ₹ 5 per unit is offered if the order size is 1000 units. Should the company seek quantity discount?