

2008000205060011
EXAMINATION OCTOBER 2024
BACHELOR OF COMMERCE (HONORS) (FIFTH SEMESTER)
FINANCIAL MANAGEMENT- I - LEVEL 6

[Time: As Per Schedule]

[Max. Marks: 50]

Instructions:

1. Fill up strictly the following details on your answer book
 - a. Name of the Examination : **BACHELOR OF COMMERCE (HONORS)(FIFTH SEMESTER)**
 - b. Name of the Subject: **FINANCIAL MANAGEMENT- I – LEVEL 6**
 - c. Subject Code No: **2008000205060011**
2. Sketch neat and labelled diagram wherever necessary.
3. Figures to the right indicate full marks of the question.
4. All questions are compulsory.

Seat No:

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Student's Signature

- Q.1 Answer in short: 10**
1. Retained earnings are free cost. Do you agree? Why?
 2. What is flotation cost?
 3. What is financial planning?
 4. Meaning of finance function.
 5. Explain - Combined leverage
- Q.2 (a) What is capital budgeting? Explain techniques of capital budgeting. 8**
- (b) Write in detail factors affecting cost of capital. 5**
- Q.3 (a) Define degree of Operating leverage. Explain its significant. 8**
- (b) Greenland Ltd. has assets of Rs.88,00,000 that have been financed by Rs.42,00,000 by equity shares of rs. 100 each, general reserve of Rs. 9,60,000 and debt of Rs.21,00,000 for the year ended 31/3/24, the company's total profit before interest and taxes were Rs.12,69,200. The company pays 9% interest on borrowed capital and is in a 30% tax bracket. The market value of equity as on 31/3/24 was Rs.150 per shares. What was the weighted average cost of capital? Use market values as weight. 5**

Q.4 Write short notes: (any three)

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1. Weighted average cost of capital
2. Internal rate of return
3. Approaches of Financial Management
4. Financial Leverage
