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T.Y.B.Com. (Hons.) (Sem.-VI) Examination March - 2026

Financial Management-III

[Total Marks: 50

સૂચના : / Instructions

(1) ઉપરોક્ત દર્શાવેલ વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the above details on your answer book.

Seat No.:

Student's Signature

Q-1. Answer in brief (Any Five): **10**

a) State the objectives of receivables management.

b) What is operating cycle?

c) What is Weighted Average Cost of Capital (WACC)?

d) What is Debt-Equity Ratio?

e) State the assumptions of Gordon's model.

f) What is stable dividend policy?

g) Define Capital Structure.

Q-2. X Tech Ltd. belongs to a risk class of which the appropriate capitalization rate is 12%. It currently has 50,000 shares selling at Rs. 200 each. The firm is considering the declaration of dividend of Rs. 10 at the end of the current year. Answer the following questions based on MM model: **14**

i) What will be the price of the shares at the end of the year, if dividend is not declared? What will it be if it is declared?

ii) Assuming that the firm pays dividend, has net income of Rs. 8,00,000 and makes new investments of Rs. 15,00,000 during the period, how many new shares must be issued?

iii) What will be the value of the firm

a) if dividend is declared?

b) if dividend is not declared?

OR

Q-2. a) Explain in detail EBIT-EPS analysis. **07**

b) What is dividend? Explain Walter's model of dividend decision. **07**

Q-3. Explain the motives for holding cash. Discuss cash management techniques. **14**

OR

Q-3. a) What is inventory management? Discuss the objectives of inventory management. **07**

b) Discuss "Conservative and Aggressive Approach" of working capital management. **07**

Q-4. **Write short note on (Any Three):** **12**

a) Kinds of dividends

b) Determinants of working capital requirements

c) Net income approach of capital structure

d) Financial Break-Even

e) Comparison of NI and NOI approach