RAN-2408000802020001

RAN-2408000802020001

F.Y.M.M.S. (Sem.-II) Examination April - 2026

Financial Management

Time: 3 Hours] **[Total Marks: 70**

સૂચના : / Instructions	Seat No.:
(1) ઉપરોક્ત દર્શાવેલ વિગતો ઉત્તરવહી પર અવશ્ય લખવી. Fill up strictly the above details on your answer book (2) Q.1 and Q.7 are Compulsory. (3) Attempt ANY THREE questions out of Q.2, Q.3, Q.4, Q.5, Q-6. (4) All questions carry 14 marks.	Student's Signature

Q.1. Answer in brief (Any Seven) : **14**

1. Define financial management.
2. State finance functions.
3. Define present value of money.
4. Meaning of profitability index.
5. What is Profitability Index Method?
6. What is debenture?
7. Define working capital.
8. Explain net working capital.
9. What is incremental cash flow?

Q.2. A Company is purchasing a new store unit. It is expected to cost Rs. 2,00,000. In future, the company estimates Rs. 20,000 as maintenance cost for each year. The useful life is 5 years and then selling it for Rs. 40,000. The projected cash inflows (gross) from the propose investment are as follows for each year of operation : **14**

Year	1	2	3	4	5
Cash inflows Rs.	50,000	80,000	1,00,000	80,000	60,000
PV factor @ 12%	0.893	0.797	0.712	0.636	0.567

Assuming company using SLM methods of depreciation, the required rate of return of the company is 12% and tax rate is 55%. Calculate IRR and suggest if proposal should be accepted or not.

Q.3. A. What is capital structure? Explain determinants of capital structure. **07**

B. Explain capital budgeting techniques. **07**

Q.4. Explain working capital. Discuss factors affecting working capital requirement. **14**

Q.5. Discuss in detail methods of financial statement analysis. **14**

Q.6. Discuss various sources of long term financing. **14**

Q.7. **Write a Short Notes: (Any Two)** **14**

1) Capital Rationing
2) Operating and Financial leverage
3) Sources of short-term finance
4) Payback period method of capital budgeting