



MBA DEGREE EXAMINATIONS: NOV /DEC 2024

(Regulation 2024)

First Semester

MASTER OF BUSINESS ADMINISTRATION

24BAI508: Financial Management

COURSE OUTCOMES

- CO1:** Explain the basic concepts of financial management.
- CO2:** Display (Select) the best investment option among alternatives and choose on the best source of funds through leverage
- CO3:** Display proficiency in spread sheet for business analysis in developing fintech tools

Time: Three Hours

Maximum Marks: 100

(No Mathematical Calculation questions, only theory questions)

PART A (10 Q x 10 Marks = 100 Marks) Answer All Questions

1. “Financial Management is concerned with solution of three major decisions- the investment decision, the financing decision and the dividend decision”. Explain the statement highlighting the inter-relationship amongst these decisions. CO1 [K₂]
2. Illustrate the time value of money using a suitable graph. CO1 [K₂]
3. Explain the different evaluation techniques available for project selection with merits and demerits. CO2 [K₂]
4. Compare and contrast the Net Present Value (NPV) and Internal Rate of Return (IRR) methods of capital budgeting. CO2 [K₂]
5. Outline the factors that affect the cost of capital for a firm. Why is it important for financial decision-making?. CO2 [K₂]
6. Explain the Weighted Average Cost of Capital (WACC). Discuss its significance in capital budgeting decisions. CO2 [K₂]

7. What do you mean by capital structure? Explain factors influencing the capital structure of a company? CO1 [K₂]
8. Explain the Traditional Approach and Modigliani-Miller (MM) approach to capital structure. Discuss their assumptions and practical relevance. CO1 [K₂]
9. Compare and contrast Walter's model, Gordon's model, and Modigliani-Miller (MM) approach to dividend policy. CO2 [K₂]
10. Explain the types of dividends that a company can declare and their implications for shareholders. CO2 [K₂]
