



# CBCS SCHEME

17ME743

## Seventh Semester B.E. Degree Examination, July/August 2022 Financial Management

Time: 3 hrs.

Max. Marks: 100

*Note: Answer any FIVE full questions, choosing ONE full question from each module.*

### Module-1

- 1 a. What is book keeping? Explain systems of book keeping systems. (08 Marks)  
b. A Company X has certain reserves and surplus as per the details given below as on 31<sup>st</sup> December 2010.
- |                     |              |
|---------------------|--------------|
| Dividend payable    | Rs.72,000    |
| Bank balance        | Rs. 10,000   |
| Equity shares       | Rs. 2,00,000 |
| Provision for taxes | Rs. 40,000   |
| Stock               | Rs.77,000    |
| Preference shares   | Rs. 1,35,000 |
| Land and building   | Rs. 2,00,000 |
| Debtors             | Rs. 1,60,000 |
| Bills payable       | Rs. 20,000   |
| Plant and equipment | Rs. 80,000   |
| Bills receivable    | Rs. 20,000   |
| Creditors           | Rs. 55,000   |
| General reserve     | Rs. 40,000   |
| Cash in hand        | Rs. 15,000   |
- Prepare a balance sheet for the company as on 31<sup>st</sup> December 2010. (12 Marks)

### OR

- 2 a. What is Tax? Explain direct and indirect taxes and its types. (12 Marks)  
b. Explain Statutory Registers. Where are they kept? Explain briefly. (08 Marks)

### Module-2

- 3 a. What are the factors influencing Capital Requirement? Explain briefly. (10 Marks)  
b. Write a difference between Net Working Capital and Gross Working Capital. (10 Marks)

### OR

- 4 a. What is valuation of securities? Explain briefly concepts of valuation. (10 Marks)  
b. What is credit rating? Compare between shares and debentures. (10 Marks)

### Module-3

- 5 a. What is investment decision? Explain briefly with examples of ownership investment, lending investment and cash equivalent investment. (10 Marks)  
b. What do you mean by capital budgeting? Briefly explain five methods of capital budgeting. (10 Marks)

### OR

- 6 a. Explain the current asset management, fixed asset management and wealth management. (10 Marks)  
b. What is Project Management? Explain different types of project management. (10 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.  
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

**Module-4**

- 7 a. Define Risk. Explain the Business Risk and Financial Risk. (10 Marks)  
b. Write notes on:  
(i) Portfolio theory  
(ii) Capital asset pricing model (10 Marks)

OR

- 8 What is nature of Ratio Analysis? List and briefly explain various financial ratio's with required formula. (20 Marks)

**Module-5**

- 9 a. What is costing? Explain briefly various methods of costing. (10 Marks)  
b. Explain various elements of cost. (10 Marks)

OR

- 10 a. What is budgeting? List the various types of budget and also explain preparation of sales budget. (10 Marks)  
b. Mention the advantages and limitations of budgeting. (10 Marks)

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