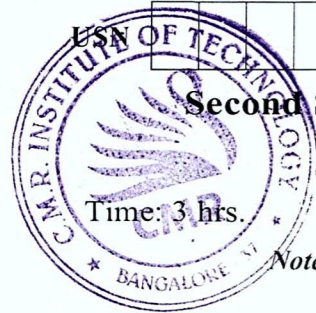


CBCS SCHEME

22MBA22

22MBA22



Second Semester MBA Degree Examination, June/July 2025

Financial Management

Max. Marks: 100

- Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.
3. M : Marks , L: Bloom's level , C: Course outcomes.

		M	L	C																				
Q.1	a.	3	L1	CO1																				
	b.	7	L2	CO1																				
	c.	10	L2	CO3																				
<p>From the following information compute :</p> <p>i) PBP ii) ARR iii) NPV iv) PI.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> </tr> </thead> <tbody> <tr> <td>PBDT (Rs)</td> <td>400000</td> <td>300000</td> <td>500000</td> <td>200000</td> <td>300000</td> </tr> <tr> <td>DF at 10%</td> <td>0.909</td> <td>0.826</td> <td>0.751</td> <td>0.683</td> <td>0.621</td> </tr> </tbody> </table> <p>Cost of the project – Rs 1000000 ; Life – 5 years SLM of depreciation is followed ; Tax rate is 30%.</p>					Year	1	2	3	4	5	PBDT (Rs)	400000	300000	500000	200000	300000	DF at 10%	0.909	0.826	0.751	0.683	0.621		
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Q.2	a.	3	L2	CO1																				
	b.	7	L2	CO5																				
	c.	10	L3	CO3																				
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Q.3	a.	3	L2	CO2																				
	b.	7	L2	CO1																				
	c.	10	L3	CO3																				
<p>The capital structure of AK Ltd, consists of an ordinary share capital of Rs 2000000 (Rs 100 per value) and Rs 1000000 of 10% debentures. Sales increased by 20% from 100000 to 120000 units. The selling price is Rs 10 per unit, Variable cost amounts to Rs 6 per unit and fixed expenses amount to Rs 200000. The tax rate is 40%. You are required to calculate the following :</p> <ol style="list-style-type: none"> The degree of financial leverage and operating leverage at 100000 and 120000 units. Percentage of increase in EPS. Comment on the behavior of operating and financial leverages in relation to increase of production from 100000 units to 120000 units. 																								

Q.4	a.	3	L1	CO4
	b.	7	L2	CO4
	c.	10	L3	CO1
Q.5	a.	3	L1	CO5
	b.	7	L2	CO2
	c.	10	L2	CO1
Q.6	a.	3	L2	CO4
	b.	7	L2	CO5
	c.	10	L3	CO4
Q.7	a.	3	L2	CO5
	b.	7	L3	CO1
	c.	10	L3	CO5

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Q.8	ABC Ltd., has under consideration of two mutually exclusive proposals for the purchase of New equipment.	20	L3	CO3																																				
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