

Exam. Code : 110105

Subject Code : 2702

Bachelor of Vocation (Banking & Financial Services)

5th Semester

FINANCIAL MANAGEMENT

Paper—BVC-501

Time Allowed—3 Hours] [Maximum Marks—50

SECTION—A

Note :— Attempt any **ten** questions. Each question carries
1 mark.

1. What is meant by ploughing back the profits ?
2. Financial decisions.
3. Preference Capital.
4. Financial Leverage.
5. What is adjusted NPV ?
6. Assumptions of Net Income Approach.
7. Social profitability analysis.
8. Break-even point.
9. Watered capital.
10. Gordon model.
11. Dividend capitalization model.
12. What is EBIT and EPS ?

SECTION—B

Note :— Attempt any 2 questions. Each question carries 10 marks.

1. Discuss the functions performed by the financial system.
2. What are the steps involved in calculating a firm's WACC (Weighted Average Cost of Capital) ?
3. Comment on capital structure policies in practice.
4. Define Capitalization. Explain types.

SECTION—C

Note :— Attempt any 2 questions. Each question carries 10 marks.

5. Differentiate operating and financial leverage. Explain its importance in capital structure decisions.
6. Explain stable dividend policy. What is the significance of stability of dividend ?
7. What is IRR ? How is it calculated ?
8. (a) Depreciation and retained earnings are the internal source of finance. Discuss.
(b) Debenture capital is the cheapest source of funds. Discuss.