

Student Enrolment No: _____

Student Name: _____

GALGOTIAS UNIVERSITY UTTAR PRADESH

School Of Law

End Term Examination, May-2018

BBALLB Semester: III/IV

Course Name: FINANCIAL MANAGEMENT**Time: 3 hours****Course Code: BBL 411****Max Marks: 100****Instructions:**

- i. Answer all sections and questions.
- ii. No bare act or any external reading material is allowed.

Section- A		(20 Marks)																				
Q1.	Identify important factors that affect financial planning of a business organisation.	5 Marks																				
Q2.	Discuss importance of inventory management of a manufacturing company.	5 Marks																				
Q3.	Comment on dividend decisions of an organisation.	5 Marks																				
Q4.	Debate on 'Debtors Management'.	5 Marks																				
Section- B		(20 Marks)																				
Q5.	<p>Tejas Ltd. has two projects under consideration A & B, each costing ₹ 60 lacs. The projects are mutually exclusive. Life for project A is 4 years & project B is 3 years. Salvage value NIL for both the projects. Tax Rate 40%. Cost of Capital is 10%. Net Cash Inflow (₹ in Lacs)</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">At the end of the year</th> <th style="text-align: center;">Project A</th> <th style="text-align: center;">Project B</th> <th style="text-align: center;">P.V. @ 15%</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">60</td> <td style="text-align: center;">100</td> <td style="text-align: center;">0.870</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">110</td> <td style="text-align: center;">130</td> <td style="text-align: center;">0.756</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">120</td> <td style="text-align: center;">50</td> <td style="text-align: center;">0.685</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">50</td> <td style="text-align: center;">—</td> <td style="text-align: center;">0.572</td> </tr> </tbody> </table> <p>Evaluate Net Present Value, Payback period and Profitability Index.</p>	At the end of the year	Project A	Project B	P.V. @ 15%	1	60	100	0.870	2	110	130	0.756	3	120	50	0.685	4	50	—	0.572	
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Section- C		(20 Marks)																				
Q6.	Demonstrate methods of capital budgeting with its merits and demerits.	10 Marks																				
Q7.	Identify short term sources of finance for a business operations.	10 Marks																				
Section- D		(40 Marks)																				
Q8.	Determine earning per share of two companies with example.	20 Marks																				
Q9.	Prepare a example of FIFO method and explain importance of this method.	20 Marks																				