17132

BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – BBA(HM)-Hons-2023
Course Name – Financial Management
Course Code - BHM50203
(Semester V)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Recognize the key goal of financial management.

a) Maximize operating cost
b) Maximize sales
c) Maximize shareholder wealth
d) Maximize government funding

(ii) Recognize the function of financial management that relates to budgeting.

a) Forecasting
b) Planning
c) Organizing
d) Allocating

(iii) Recognize the meaning of liquidity in finance.

a) Profit earning capacity
b) Cash availability
c) Asset productivity
d) Investment returns

(iv) Calculate the working capital: CA = ₹5,00,000; CL = ₹3,20,000.

a) 820000
b) 180000
c) 320000
d) 500000

(v) Identify the type of asset a hospital creates by building a new ICU.

a) Fixed asset
b) Current asset
c) Intangible asset
d) Working capital

(vi) Compute ARR: Avg Profit = ₹40,000; Investment = ₹2,00,000.

a) 0.15
b) 0.2
c) 0.25
d) 0.3

(vii) Determine the effect of reduced collection period on liquidity.

a) Decreases liquidity
b) Improves liquidity
c) No effect
d) Increases debt

(viii) Classify the nature of NPV method.

a) Non-discounted
b) Discounted
c) Accounting-based
d) Cashless

(ix) Select the decision area associated with capital budgeting.

a) Financing
b) Investing

c) Dividending
d) Asset disposal

(x) Compute quick ratio: CA = ₹2L; Inventory = ₹50k; CL = ₹1L.

a) 0.08402777777777778
b) 1.5:1
c) 1.25:1
d) 0.5:1

(xi) Classify the use of temporary working capital.

a) Equipment purchase
b) Seasonal sales
c) Building hospital wing
d) Land purchase

(xii) Identify the formula for Inventory Turnover Ratio.

a) Sales / Avg Inventory
b) COGS / Avg Inventory
c) Sales / COGS
d) COGS / Sales

(xiii) Classify the cost of goods sold in the hospital as

a) Fixed cost
b) Semi-variable cost
c) Variable cost
d) Sunk cost

(xiv) Classify the increase in trade debtors as:

a) Decrease in WC
b) Increase in WC
c) Decrease in cash
d) Increase in revenue

(xv) Compute P/V Ratio: SP ₹200; VC ₹120.

a) 0.6
b) 0.4
c) 0.5
d) 0.7

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Explain profit maximization with an example. (3)
3. Calculate working capital: CA = ₹80,000, CL = ₹55,000. (3)
4. Calculate ARR: Average profit = ₹12,000; Investment = ₹60,000. (3)
5. What is break-even point in financial terms? (3)
6. Calculate Inventory Turnover Ratio: COGS = ₹5,00,000, Avg. Inventory = ₹1,00,000. (3)

OR

A machine costs ₹1,80,000. Expected inflows over 4 years: ₹60,000, ₹55,000, ₹50,000, ₹45,000. Discount rate = 10%. Calculate NPV. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Discuss the financial goals of a firm and critically evaluate profit maximization versus wealth maximization. (5)
8. Define working capital. Classify it and explain the factors affecting working capital needs in hospitals. (5)
9. Suggest ways hospitals can reduce capital investment risk through budgeting techniques. (5)
10. Summarize the meaning of ratio analysis. Explain its importance. (5)
11. Calculate and interpret CR and QR: CA = ₹1.2L, CL = ₹80k, Inv = ₹30k. (5)
12. Explain any three capital budgeting techniques with examples. (5)

OR

A hospital buys a machine for ₹4,00,000. Inflows: ₹80k, ₹1L, ₹1.2L, ₹1.3L. Calculate NPV at 10%. (5)

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