



BRAINWARE UNIVERSITY

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398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Term End Examination 2023 Programme – B.Com.(BF)-Hons-2021 Course Name – Fundamentals of Financial Management Course Code - BCMC403 (Semester IV)

	ll Marks : 60		: 2:30 Hou
l		rks. Candidates are required to give their answerds as far as practicable.]	ers in their
		Group-A	
1.	(Multiple Choose the correct alternative from the	Choice Type Question) following:	1 x 15=15
(i)	i) Which among the following method is related to the NPV method? (Identify The correct answer)		
(ii)	a) Payback periodc) Going concernWhat is the debt-to-equity ratio? (Ident	b) Accounting rate of return d) Profitability index ify The correct answer)	
	a) Long term debt/total equity c) Short term debt/total equity Identify the concept related to annuity a	b) Total debt/total equity d) current liabilities to total equity	
(iv)	a) PVc) riskWhich among the following cannot be a money? (Identify among the following)	b) FV d) FVIFA ttributed to an individual's time preference for	
	a) Risk c) Investment opportunities Which of the following is not a specific right.	b) Preference for consumption d) Natural calamities isk factor? Identify.	
(vi)	a) Company strike c) Death of a key company officer The only feasible purpose of financial ma following)	b) Bankruptcy of a major supplier d) Industrial recession anagement is (Identify among the	
	a) Sales maximization c) Asset maximization How long does it take to double your mo	b) Profit maximization d) Wealth Maximization oney if it grows at 12% annually? (Identify	

b) 6 years

d) 8 years

among the following)

a) 5 years

c) 7 years

(v	 iii) A company raised preference share capital of preference share of Rs. 10 each. Calculate the is issued at 10% premium. 	Rs. 1,00,000 by the issue of 10% cost of preference share capital when it	t		
	a) 0.0709	b) 0.0809			
	c) 0.090899999999999	d) 0.1009			
(i	 x) Choose the one which would be consistent wi financing working capital. 				
	 a) Financing short-term needs with short-term funds. 	with long-term debt.			
	 c) Financing seasonal needs with short-term funds. 	 d) Financing some long-term needs w short-term funds. 	vith		
()	x) Choose among the asset-liability combination firm\'s having the greatest risk of technical ins	olvency.			
	 a) Increasing current assets while lowering current liabilities. 	 b) Increasing current assets while incomore current liabilities. 	urring		
	 c) Reducing current assets, increasing current liabilities, and reducing long-term debt. 	d) Replacing short-term debt with equ	uity.		
(x	 cite the reason to undertake capital budgeting 				
	a) Evaluating short term investment decision	b) Evaluating medium term investmen decision	nt		
(x	c) Evaluating long term investment decision ii) The capital budget is associated with (le	d) None of the above dentify The correct answer)			
	a) Long term assets	b) Long term and short term assets			
	c) Fixed assets	d) Short term assets			
(xi	(xiii) What does financial leverage measure? (Identify The correct answer)				
	a) No change with EBIT and EPS	b) The sensibility of EBIT with % changerespect to output			
	c) Percent variation in the level of production	d) The sensibility of EPS with % chang EBIT level	e in the		
xi kg kg (xi	(xiv) Solve for average collection period if debtors turnover ratio is 3.				
niversity Road, Barasat gal-700125	a) 120 days	b) 110 days			
Road Sal-7	c) 100 days	d) 90 days			
Librai Brainware Un Ramkrishnapur F Olkata, West Beng	v) Solve for current ratio if current assets are Rs. : 40000.	120000 and current liabilities are ks.			
≥.95	a) 3	b) 4			
Brain 8, Ramkr Kolkata,	c) 5	d) 6			
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	(Short Answer T		3 x 5=15		
		and the second second			
2.	Describe capital recovery factor.		(3)		
	Describe the concept of nominal and effective into		(3)		
	Chart the difference between payback period and		(3)		
5. 1	Explain the acceptance rules of project while appl	ying Net Present Value (NPV) method.	(3)		
6. 1	5. Explain the need for financial ratios for a finance manager.				
	OR Explain the impact of financial leverge on earnings per share.				
	Grou				
	(Long Answer Ty	pe Questions)	5 x 6=30		
7.	Calculate the total future value of a stream of cas	sh flow of Rs. 100 to be received for the	e (5)		

next 5 years at an interest rate of 10%.

8. Describe the loan amortization table with example. (5) 9. Describe the net operating income approach of capital structure. (5)10. On 1 January 2013, Mr Y.P. Sinha purchased 100 shares of L&T at Rs.212 each. During the (5) year, he received total dividends of Rs.700. Mr. Sinha sold all his shares at Rs.215 each on 31 December 2013. Calculate Mr. Sinha's (i) capital gain amount, and (ii) total return in (a) rupee amount and (b) percentage. (5) 11. Calculate the present value of Rs. 700 each paid at the end of each of the next six years. Assume an 8 per cent of interest.. 12. A company paid a dividend of Rs.3.70 in the previous year. The dividends in the future are (5) expected to grow perpetually at a rate of 8 per cent. Find out the share's price today if the market capitalises dividend at 12 per cent? OR Dividend now is Rs. 4.48 and equity capitalization rate is 17%. Find the value of the share if (5) the dividend growth is zero percent.

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