

# B.COM. 4<sup>th</sup> SEMESTER (HONOURS) EXAMINATION 2022

## COMMERCE

COURSE ID:41212

COURSE CODE: BCOMH 402C-9

### COURSE TITLE: FINANCIAL MANAGEMENT

FULL MARKS: 40

TIME : 2 HOURS

The figures in the margin indicate full marks

Candidates are required to give their answers in their own words as far as practicable.

Q1. Answer any five (5) questions from the following:- 2x5 = 10

যে কোন পাঁচ (৫) টি প্রশ্নের উত্তর দাও:-

a) What is meant by capital structure?

মূলধন কাঠামো বলতে কী বোঝো?

b) What is Net working capital?

নেট কার্যকরী মূলধন বলতে কী বোঝো?

c) What is cost of capital?

মূলধনের ব্যয় বলতে কী বোঝো?

d) What is time value of money?

অর্থের সময় মূল্য কী?

e) What is Marginal cost?

প্রান্তিক ব্যয় কী?

f) What is 'trading on equity'?

Trading on equity - বলতে কী বোঝো?

g) What is contribution?

অবদান বলতে কী বোঝো?

h) What is Financial Management?

আর্থিক পরিচালনা বলতে কী বোঝো?

Q2. Answer any four (4) questions from the following :-

5x4 = 20

যে কোন চারটি (৪) টি প্রশ্নের উত্তর দাও:-

a) State the objectives to Financial Management.

আর্থিক ব্যবস্থাপনার উদ্দেশ্য গুলি লেখ।

b) Global Green Ltd. has issued 12% Debenture of face value of Rs 100 each. The debenture is expected to be sold at 5% discount. Flotation cost is 5% per debenture. The debentures are redeemable at a premium of 5% after 10 years. Rate of tax is 50%. Calculate the cost of debenture.

c) State the importance of capital structure.

মূলধন কাঠামোর গুরুত্ব লেখ।

d) 'Working capital is the life-blood of business firm' - discuss

'কার্যকরি মূলধন হলো ব্যবসায়ের জীবনরক্ত' - আলোচনা কর।

e) From the following information calculate Variable/Marginal cost if (i) Profit is Rs. 5000/- (ii) Loss is Rs. 2500/- (iii) Loss is Rs. 11000/-

Sales Rs. 40,000/-, Fixed over-head Rs. 10,000/-.

f) From the following information of SUN Ltd. of Kolkata compute

(a) The degree of financial leverage. (b) What does it mean?

Operating Profit (EBIT) is Rs. 10,00,000/-. The company has 10% Rs. 20,00,000/- Debenture, 12%, 10,000 Preference Share of Rs. 100 each and 50000 equity share of Rs 100 each. The company is the 35% tax bracket.

Q3. Answer any one (1) of the following questions:-

যে কোন এক (১) টি প্রশ্নের উত্তর দাও:-

a) From the following information of ABC Ltd. of Bankura prepare a statement showing the estimated working capital requirement.

(i) Average weekly production = 500 units

(ii) Per unit selling price Rs. 60/-

(iii) Material cost per unit = Rs. 24/-

(iv) Labour cost per unit = Rs. 18/-

(v) Overhead cost per unit =Rs. 12/-

(vi) Profit per unit =Rs. 6/-

Average time lag of Raw material in store 3 weeks, production process 4 weeks, credit allowed to debtors 5 weeks, credit from creditors 3 weeks, payment of wages and overhead 2 weeks, and Finished goods are in warehouse 2 weeks. Cash in hand is expected to 20% of Net working capital. The production pattern is assumed to be even during the year.

b) ECL Ltd. Is confronted with two mutually exclusive investment opportunities having following cash flows:-

	<u>Proposal A</u>	<u>Proposal B</u>
Initial outlay	1,00,000/-	1,00,670/-
Net inflow at the end of 1 <sup>st</sup> year	25000/-	95000/-
Net inflow at the end of 2 <sup>nd</sup> year	125000/-	45000/-

Rank the two investment opportunities in order of preference by NPV method and IRR method.

Assumed cost of capital to be 10%.

The relevant PV factors are given below.

	10%	24%	25%	26%	27%	28%	29%	30%
Year 1	0.909	.806	.800	.794	.787	.780	.775	.769
Year 2	0.826	.650	.640	.630	.620	.610	.601	.592

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