

SECTION – A.

Unit - I

1. What is finance?
2. What is financial management?
3. Define financial management.
4. What is Profit Maximisation?
5. What is Wealth Maximisation?
6. What is risk-return trade-off?
7. What is finance function?
8. What is Time Value of money?
9. State the reasons for Time Preference for money.
10. Write the formula for compound and multiple compounding period value of a Lump sum.
11. State the formulas of doubling period.
12. Write the formula for compound value of a series of payments.
13. State the formula of Present Value Technique.
14. Write the formula of Present Value of a series of payments.
15. What is effective rate of interest?
16. What is Cost of Capital?
17. What is Historical Cost and Future Cost?
18. Write about the Specific Cost and Composite Cost?
19. What is Average Cost?
20. What is Marginal Cost?
21. What is Explicit Cost?
22. What is Implicit Cost?
23. State formulas for finding the cost if Irredeemable debt and Redeemable debt.
24. Write the formula for finding the cost of Irredeemable and Redeemable Preference Share Capital.
25. State the formula for finding the cost of Equity Capital under Dividend Price Method, Dividend Price + Growth Method and Earnings Price Method.
26. Write the formula for finding the Cost of Retained Earnings and Weighted Average Cost of Capital.

Unit – II

27. What is Capital Structure?
28. Define the Capital Structure.
29. What is Capitalisation and Capital Structure?
30. What is Financial Structure?

31. What is Optimum Capital Structure?
32. What is Point of Indifference?
33. State the formula for calculating the Point of Indifference.
34. What is Net Income Approach?
35. What is Net Operating Income Approach?
36. What is Traditional Approach?
37. Write the formulas of Net Income and Net Operating Income Approach Theories of Capital Structure.
38. What is Arbitrage Process?
39. What is Capital Structure Planning?
40. Expand the term – EBI and EPS.

Unit – III

41. What is Leverage?
42. What is Operating Leverage?
43. What is Financial Leverage?
44. What is Composite Leverage?
45. State the formula for calculating the Operating, Financial and Composite Leverages.
46. What is high degree operating leverage?
47. What is low degree operating leverage?
48. What is Operating Risk?
49. What is favourable financial leverage?
50. What is unfavourable financial leverage?
51. What is high degree financial leverage?
52. What is low degree financial leverage?
53. What is Dividend?
54. What is Dividend Policy?
55. What is Theory of relevance?
56. What is Theory of irrelevance?
57. How the relativity of different firm's internal rate of return(r) and cost of capital(k) symbolically said under Walter's Model?
58. Write the formula to determine the market price per share under Walter's Model.
59. State the formula to find the value of the share under Gordon's Model.
60. Write the formula to find the market price of the share under M.M.Model.
61. What is stability of dividends?
62. What is Bond Dividend?
63. What is Property Dividend?
64. What is Stock Dividend?
65. What is Bonus Share?
66. What is Stock Split?
67. What is Reverse Split?
68. What is Rights Issue?

Unit – IV

69. What is Working Capital?
70. What is Fixed Capital?
71. What is Gross Working Capital?
72. What is Net Working Capital?
73. What is Fixed Working Capital?
74. What is Variable Working Capital?
75. What is Working Capital Management?
76. What is Excess of Working Capital?
77. What is Inadequate Working Capital?
78. Write a note on Commercial Papers.
79. What is Hedging/Matching approach in working capital determination?
80. What is Conservative approach in working capital determination?
81. What is Aggressive approach in working capital determination?
82. Write the different methods of forecasting working capital requirements of a business
83. Write the meaning of cash.
84. Mention the motives of holding cash.
85. What is cash management?
86. What is cash planning?
87. What is cash budget?
88. What is Lock-box system?
89. Write the formula for determining the optimum cash balance under Baumol Model.
90. What is cash cycle?
91. What is cash turnover?

Unit – V

92. What is Receivables?
93. What is Receivables Management?
94. State the types of cost arises on maintaining the receivables to a business firm.
95. What is Credit Terms?
96. What is Credit Standard?
97. State the formula for finding the average collection period .
98. What is Aging Schedule?
99. What is Inventory?
100. What is Inventory Management?
101. What is Minimum Stock level?
102. State the formula for finding the minimum stock level.
103. What is Re-Order level? Write the formula.
104. Write the formula for finding the maximum stock level.
105. What is EOQ?
106. What is ABC Analysis?
107. What is VED Analysis?

SECTION – B (Theory 20% - Problem 80% -- For Problem: Refer Books)

Unit – I

1. Explain the Objectives of Financial Management.
2. State the Objectives of Profit Maximisation.
3. Briefly narrate the arguments against the objectives of Profit Maximisation.
4. Discuss the benefits of Wealth Maximisation.
5. What are the limitations of Traditional Approach in Financial Management?
6. Briefly write about the aims of Finance Function of a firm.
7. State the reasons for time preference for money.
8. Explain the features of cost of capital.
9. State the significance of cost of capital.

Unit – II

10. Write about the significance of capital structure.
11. Write the criticism of MM approach.
12. Discuss the features of a sound capital structure.
13. Summarise the assumptions of MM hypothesis.

Unit – III

14. State briefly about the significance of Operating Leverage.
15. Discuss the importance of Financial Leverage
16. What is financial risk? How it differs from operating risk?
17. What are the essentials of Walter's dividend Model?
18. Explain the assumptions of Gordon's dividend model.
19. Briefly write M.M dividend irrelevance approach.
20. Discuss about the criticism of M.M Hypothesis.
21. What are the forms of stable dividends? Briefly explain.
22. Write the benefits of a stable dividend policy
23. Discuss the modes of dividend paid by a firm.
24. State the various sources of bonus issue.
25. Narrate the benefits arises out of bonus issue to the shareholders.
26. What is stock split? Discuss the reasons for the stock split.
27. Explain the advantages of Right Issue of shares.

Unit – IV

28. Why the working capital is needed? Briefly discuss.
29. Discuss the short comings if excessive working capital.
30. Briefly state the disadvantages of inadequate working capital.
31. Explain the principal motives for holding cash.
32. Explain the objectives of cash management.

Unit – V

33. What is receivable management? Write its objectives.
34. Enumerate the various costs of receivables.
35. State the merits and de-merits of factoring.
36. Explain the need for holding inventories.
37. State the benefits of holding inventories.
38. What are the risks and costs of holding inventories?
39. State the objectives of inventory management.
40. What is ABC Analysis? State its advantages.

SECTION – C (Theory 20% - Problem 80% -- For Problem: Refer Books)

Unit – I

1. What are the basic financial decisions? Explain briefly.
2. Explain the approaches to financial management.
3. Discuss in detail, the functions of financial management.
4. Describe the functions of (a) Treasurer (b) Controller
5. Explain the relationship between finance function and other function.
6. Summarise the significance of finance function.
7. How would you calculate the cost of debt? Write briefly.
8. Explain the different methods of calculating the cost of equity.

Unit – II

9. Discuss the Net Income and Net Operating Income approaches to capital structure.
10. Briefly explain the factors which determine the capital structure of a firm.

Unit – III

11. Explain the impact of various combinations of operating and financial leverage?
Which combination is considered to be an ideal situation for any company?
12. Explain the important factors that influence the dividend policy of a firm?
13. Discuss the benefits of Bonus Issue.
14. Distinguish between Bonus Issue and Stock Split.
15. Explain the features of right issue of shares.

Unit – IV

16. Explain the importance of working capital.
17. Briefly write the factors that determining the working capital needs of a firm.
18. Describe the permanent working capital financing sources of a company.
19. What are the temporary financing sources available to a firm? Explain.
20. Explain the techniques that can be used to accelerate the firm's collections.

Unit – V

21. Explain the various factors influencing the size of receivables.
22. What is factoring? What are the services rendered by factor.
23. Explain the various tools and techniques used in inventory management.

