

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Sixth Semester)

Branch – COMMERCE (COST AND MANAGEMENT ACCOUNTING)

FUNDAMENTALS OF FINANCIAL MANAGEMENT

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 What is the basic objective of Financial Management ?
 - (i) Maximization of profit.
 - (ii) Maximization of share holder's wealth
 - (iii) Ensuring financial discipline in the firm.
 - (iv) All of these
- 2 State the term cost of capital
 - (i) Lesser than the cost of debt capital.
 - (ii) Equal to the last dividend paid to the equity shareholders
 - (iii) Equal to the dividend expectations of equity shareholders for the coming year
 - (iv) None of the above
- 3 Which is the long term planning for financing proposed capital outlay ?
 - (i) Capital Budgeting
 - (ii) Budgeting
 - (iii) Cash Budget
 - (iv) Sales Budget
- 4 Which of the following indicate that a firm should have adequate investment in current assets ?
 - (i) Gross Working Capital
 - (ii) Net Working Capital
 - (iii) Working Capital.
 - (iv) Both A and B
5. Which is Indifference Level of EBIT ?
 - (i) EPS is zero
 - (ii) EPS is Minimum
 - (iii) EPS is highest
 - (iv) None of these

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Bring out the objectives of Financial Management?
OR
b Describe the Sources of Financial Management.
- 7 a Outline the concept of long Term and Short term finance with Examples
OR
b Summarize the Computation of Cost of Capital
- 8 a Analyze the capital budget and it's Process
OR
b Sketch the evaluation techniques in capital budget?
- 9 a Describe the concepts of Working capital
OR
b Write a Short on payable management and inventory management

Cont...

10. a Write a shortnote on business and Financial risk.
OR
b Write a short note on EBIT and EPS analysis.

SECTION -C (30 Marks)

Answer any Three questions

ALL questions carry EQUAL Marks (3 x 10 = 30)

11. Categorize the International Sources of In Financial Management.
12. Highlight the concepts of Alternate investment fund and crowd Funding
13. Distinguish between the Non-Discounted and Discounted Cash Flow Method
14. Discover the methods of Estimating Working Capital Requirement.
15. Discuss about the factors influencing dividend policy.

Z-Z-Z

END