

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MSc DEGREE EXAMINATION MAY 2023
(Second Semester)

Branch – HOSPITAL ADMINISTRATION

MAJOR ELECTIVE COURSE – I: 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 Finance Function comprises
 - (i) Safe custody of funds only
 - (ii) Expenditure of funds only
 - (iii) Procurement of finance only
 - (iv) Procurement & effective use of funds
- 2 The working capital requirement (WCR) is
 - (i) Inventories plus receivables less payables
 - (ii) Inventories plus receivables less payables plus prepayments less accruals
 - (iii) Working capital plus short-term debt plus cash
 - (iv) Working capital less short-term debt less cash
- 3 The term "capital structure" refers to
 - (i) Long-term debt, preferred stock, and common stock equity
 - (ii) Current assets and current liabilities
 - (iii) Total assets minus liabilities
 - (iv) Shareholders' equity
- 4 The most important and common form of the dividend.
 - (i) Stock dividend
 - (ii) Cash dividend
 - (iii) Bond dividend
 - (iv) Scrip dividend
- 5 Which of the following method is not considered as the return after the pay-off period?
 - (i) Pay back method
 - (ii) Accounting rate of return method
 - (iii) Discounted cash flow method
 - (iv) Present value

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a. Explain the scope of finance function.
OR
b. Classify the objectives of financial management.
- 7 a. Explain in brief about the concept of working capital.
OR
b. Discuss the motives of holding cash.
- 8 a. Specify the importance of cost of capital.
OR
b. Illustrate the weighted average cost of capital.
- 9 a. Explain the different methods of valuation of stocks.
OR
b. Discuss the various provisions of declaration and payment of dividend.

Cont...

- 10 a. Brief the advantages of net present value.
OR
b. A project costs Rs. 10,00,000 and yields an annual cash inflow of Rs.2,00,000 for 10 years. Calculate its pay-back period.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a. Enumerate the various executive functions of financial management.
OR
b. Elucidate the role of SEBI in Indian capital markets.
- 12 a. Determine the factors which help in estimating requirements of working capital in an organization.
OR
b. Classify the problems associated with cash management.
- 13 a. 'Determination of capital structure of a company is influenced by a number of factors'. Justify.
OR
b. Categorize the different sources of cost of capital.
- 14 a. Determine the different sources of long term capital.
OR
b. Enumerate the various types of dividend policy.
- 15 a. Classify the different methods of evaluating investment proposals.
OR
b. Project X initially cost Rs.25000; it generates the following cash inflows:

Year	Cash inflows (Rs.)	present value of Re.1 @ 10%
1	9000	0.909
2	8000	0.826
3	7000	0.751
4	6000	0.683
5	5000	0.621

Prepare Net Present Value.

Z-Z-Z

END