

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**MCom (CS) DEGREE EXAMINATION MAY 2018
(Third Semester)**

Branch – CORPORATE SECRETARYSHIP

FINANCIAL & FOREX MANAGEMENT

Time : Three Hours

Maximum : 75 Marks

SECTION -A (30 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 x 6 = 30)

- 1 a Explain the role of Financial Manager.
OR
b Write a short note on (i) Financial distress (ii) Insolvency.
- 2 a Define Capital Rationing. How would projects be ranked under capital rationing?
OR
b What is Financial leverage? State its significance.
- 3 a Differentiate capital structure from financial structure.
OR
b Describe the importance of cost of capital.
- 4 a What is Treasury Management? What are its objectives?
OR
b Describe the various tools of treasury management.
- 5 a What factors determine Exchange rates?
OR
b Explain the significance of Forex Management.

SECTION -B (45 Marks)

Answer any **THREE** questions

ALL questions carry **EQUAL** Marks (3 x 15 = 45)

- 6 What are the objectives and functions of Financial Management?
- 7 Explain the concept of MM theory regarding capital structure.
- 8 What is meant by capital budgeting? What are the factors affecting capital investment decisions?
- 9 Explain the role and responsibilities of Treasury Manager.
- 10 How can forex risks be managed?