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QP CODE: 25021022

Reg No	:	
Name	:	

BBM DEGREE (CBCS) REGULAR / REAPPEARANCE / MERCY CHANCE EXAMINATIONS, FEBRUARY 2025

Sixth Semester

Bachelor of Business Management

CHOICE BASED CORE COURSE - BM6CBT31 - FINANCIAL MANAGEMENT

2017 Admission Onwards

B5E51B1E

Time: 3 Hours

Max. Marks: 80

Part A

Answer any **ten** questions. Each question carries **2** marks.

- 1. What is finance function?
- 2. Define financial planning.
- 3. Differentiate between cumulative and non-cumulative preference shares.
- 4. What is installment credit?
- 5. What do you mean by Trading on equity?
- 6. Differentiate between capital structure and capitalization.
- 7. What is revolving capital?
- 8. What is factoring?
- 9. What is danger level of inventories?
- 10. What is dividend?
- 11. What are retained earnings?
- 12. What is residual approach to dividend decision?

(10×2=20)

Part B

Answer any **six** questions. Each question carries **5** marks.

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- 13. How to estimate the financial requirement of a concern?
- 14. Why is maximizing wealth a better goal than maximizing profits?
- 15. What do you understand by financial decisions? Discuss the major financial decisions.
- 16. Differentiate between shares and debentures.
- 17. What is optimal capital structure? Bring out the considerations in achieving the goal of optimal capital mix.
- 18. Explain the traditional approach to capital structure decision.
- 19. Discuss the classification of working capital.
- 20. Discuss the factors which influence the size of receivables.
- 21. What are the advantages of stable dividend policy?

(6×5=30)

Part C

Answer any **two** questions. Each question carries **15** marks.

- 22. Explain the financial instruments recently issued in global financial market.
- 23. What is financial leverage? Discuss the impact of financial leverage on magnifying the return available to equity share holders.
- 24. What is cash management? Explain the methods for efficient cash management.
- 25. What is bonus issue? Explain the advantages and disadvantages of bonus issue.

(2×15=30)