BBA 3rd Semester Examination
June 2014
Subject – Organizational Financial Management
Subject Code - MSL 203

Time Allowed: 03 hours. Maximum Marks: 100

Before answering the question paper the candidate should ensure that they have been supplied the correct question paper. Complaints in this regard, if any, shall not be entertained after the examination.

Note: All questions carry equal marks. Ques. No. 1 is Compulsory and attempt two questions from each section.

1. a) Define Financial Management
 b) Define Short term and long term Finance.
 c) Define capital budgeting.
 d) Cost of Preference share capital
e) Define Financial Leverage

2. Explain the concept of profit maximization and wealth maximization. In what respect the objective of wealth maximization superior than the profit maximization objective?

3. Explain the various types of Debentures in Brief and also state its advantages and disadvantages

4. Write short notes on
   a. Net Income Approach
   b. Net operating Approach

5. Write short notes on
   a. Accounting Rate of return Method
   b. Net Present Value Method

6. Calculate the pay-back periods of the following project each requiring a cash outlay of Rs.1,00,000. Suggest which project is acceptable if the standard payback period is 5 years

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<thead>
<tr>
<th>Year</th>
<th>Cash Inflows</th>
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<tbody>
<tr>
<td></td>
<td>A</td>
</tr>
<tr>
<td>1</td>
<td>30,000</td>
</tr>
<tr>
<td>2</td>
<td>30,000</td>
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<td>3</td>
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<td>4</td>
<td>30,000</td>
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<tr>
<td>5</td>
<td>30,000</td>
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7. Write a brief note on Walter model of Dividend and Gordon model of Dividend theory