RJ-0801
M. Com. (Integrated Course) (Sem. VII) Examination
March / April - 2017
Financial Management - I

Time : Hours] [Total Marks : 50

Instructions :
(1) Fill up strictly the details of signs on your answer book.

Seat No. :

(2) All questions are compulsory.
(3) Figures to the right indicate full marks.

1. Answer the following questions:

   (1) Name the areas of Finance Function.

   (2) When does financial leverag become favourable?

   (3) What is meant by capital budgeting?

   (4) What is the relevance of cost of capital in capital budgeting?

   (5) Explain capital rationing.

2. “Investment, financing and dividend decisions are all inter-related” – Explain.

3. Explain the method of pay-back period and net-present value.

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4. (a) Explain financial goal.
(b) Calculate the degree of:
   (i) Operating leverage
   (ii) Financial leverage
   (iii) Combined leverage

   Sales (1,00,000 units) ................Rs. 2,00,000
   Variable cost per unit ..................Rs. 0.70
   Fixed cost ................................Rs. 1,00,000
   Interest charges .........................Rs. 3,668