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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION : DECEMBER - 2022
SEMESTER - III
Sub: Advance Financial Management (MFM304)

Date: 21 /12 /2022

Total marks: 60

Time: 10.00am to 12.30pm

SECTION – I

Q. 1. Fill in the blanks. (5)

1. High Risk is associated with
 - a) High Returns
 - b) Low Returns
 - c) Moderate Returns
 - d) None of these
2. K_d denotes cost of _____.
 - a) Equity
 - b) Reserves
 - c) Debt
 - d) None of these
3. The functions of the Chief Financial Officer includes _____.
 - a) Financing
 - b) Investing
 - c) Dividend Decisions
 - d) All of above
4. WACC means _____.
 - a) Simple Average Cost of Capital
 - b) Weighted Average Cost of Capital
 - c) Average Cost of Capital
 - d) None of above
5. K_e denotes cost of _____.
 - a) Equity
 - b) Reserves
 - c) Debt
 - d) None of these

Q. 2. Answer the following. (Any Two) (20)

1. Which decisions does the financial manager take? Explain in detail.
2. Which are different sources of finance for the company? How to find the cost of capital for each of them
3. Explain in detail the three types of leverages.

Q. 3. Write notes on. (Any Two) (10)

1. Definitions of Financial Management.
2. WACC.
3. Reasons behind payment of interest.

SECTION – II

Q. 4. Case Study

(15)

The amount of Debt is Rs. 5,00,000/- and the amount of Equity is Rs. 5,00,000/-. If the Cost of Debt is 12% and Cost of Equity is 15%, find the Weighted Average Cost of Capital by stating the formula for it's calculation.

Q. 5. Answer the following:

(10)

- a) Discuss the changing scenario of Financial Management in India.

OR

- b) Discuss the meaning of Effective Utilization of Funds.
