

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY - 2023
FIRST SEMESTER
Sub: Financial Management (MCA-112)

Date: 31/05/2023

Total Marks :60

Time: 10.00 Am to 12.30 pm

- Instructions:** 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q.1 Answer the following questions. (Attempt any two) (32)

1. Explain Capital Structure Theories in detail.
2. Amit ltd has the following capital structure :

Equity (expected dividend 15%)	40,00,000
10% Preference Shares	10,00,000
8% Loan	30,00,000
3. Calculate degree of operating Leverage degree of Financial Leverage and degree of combined leverage for the following firm.

Output in Units	150,000
Fixed Cost	20,000
Variable Cost Per unit	0.30
Interest on Borrowed Funds	10,000
Selling Price Per Unit	0.70

4. Explain spontaneous sources of financing current assets

Q.2 Answer the following. (Attempt any one) (08)

1. Describe Strategic Planning.
2. Calculate degree of operating Leverage. degree of Financial Leverage and degree of combined leverage for the following firm.

Output in Units	30,000
Fixed Cost	28,000
Variable Cost Per unit	1.50
Interest on Borrowed Funds	16,000
Selling Price Per Unit	5.00

3. What is Financial Planning?

Q.3 Write short notes. (Attempt any two) (10)

1. Basic Assumption of Capital Structure
2. Non operating Investment
3. Overdraft
4. Net Income Approach

Q.4 Select the Correct Alternatives (Attempt Any Ten) (10)

1. NOI approach Stands for.....
 - a. Net operating Income
 - b. Non operating Investment

- c. Non operating Income
d. Non operating Investment
2. Short term bank finance does not include.....
- a. Letter of credit
b. Bills of purchasing
c. Overdraft
d. Housing loan
3.motives refer to the desire of affirm to take advantage of unexpected opportunity.
- a. Unforeseen
b. Speculation
c. Precautionary
d. Compensation
4. ...has to achieve equilibrium between liquidity and profitability.
- a. Financial manager
b. Sales Manager
c. Purchase Manager
d. Production Manager
5. The main purpose of granting credit is.....sales
- a. Parallel
b. Decrease
c. Boost
d. Complete
6. Following is the example of cash receipt
- a. Payment of loan
b. Purchase of Asset
c. Payment of Creditors
d. Sale of Asset
7. Operating Leverage has great impact on
- a. Variable Cost
b. Semi variable Cost
c. Recurring Cost
d. Fixed Cost
8. Following is the example of cash payment
- a. Purchase of Asset
b. Collection from debtors
c. Sales
d. Interest received
9. Acquisition is type of strategy.
- a. Survival
b. Short term
c. Non growth
d. Growth
10. Short term plans are made by
- a. Senior Management
b. Junior Management
c. Directors
d. Shareholders
11. EPS means
- a. Earnings per share
b. Earning price share
c. Earning per stock
d. Economy per share
12. When fixed cost increase operating leverage.....
- a. No effect
b. Remain stable
c. Increase
d. Decrease
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