TILAK MAHARASHTRA VIDYAPEETH, PUNE MASTER OF BUSINESS ADMINISTRATION (M.B.A.) EXAMINATION : DECEMBER - 2023 SEMESTER - III

Sub: Advance Financial Management (MFM304)

Date: 14/12/2023 Total marks: 60 Time: 10.00am to 12.30pm **SECTION - I Q. 1**. Fill in the blanks. (5) 1. Kd denotes the cost associated with ______ financing. b) Debt a) Equity c) Preference d) None of the Above 2. Money receivable from customers on credit sales will be shown as : a) Fixed Assets b) Permanent Assets c) Current Assets d) None of above 3. Taking decisions whether credit to be given or not, discount percentage, etc. is called : a) Management policy b) Credit policy c) Recovery policy d) None of above 4. Whenever credit sales increases, ____ _____ should be kept under control. a) cash balance b) fixed assets c) bad debts d) none of above 5. The Finance Manager has to ensure ____ _____ returns on capital invested. a) minimum b) maximum d) none of the above c) break even (20)Q. 2. Answer the following. (Any Two) 1. Explain the calculation of Cost of Debt. 2. Explain the calculation of Return on Preference Shares. 3. Discuss the differences between Equity Shares and Preference Shares. **Q.3**. Write notes on. (Any Two) (10)

- 1. Discuss the obligations involved in case of Debt Financing.
- 2. Explain the relationship between Risk and Return with appropriate examples.
- 3. Discuss the statement : Dividend is an appropriation of profits.

SECTION – II

Q. 4. Case Study

i) Tata Consultancy Services have borrowed Rs. 8,00,00,000/- on 1.4.2020, repayable in 4 equal annual installments commencing from 1.4.2022, along with 15% interest, to be paid at the end of each year. Find the cash flow obligations of TCS till the loan is repaid.

ii) Infosys have borrowed Rs. 7,50,00,000/- on 1.1.2021, at 12% interest, to be repaid equally along with interest in 5 installments at the end of each financial year, the first repayment to be started from 31.3.2022. Find the cash flow obligations of Infosys till the loan is repaid.

Q. 5. Answer the following:

a) Explain the 3 Approaches for finding the Cost of Equity.

OR

b) Discuss the functions of the Chief Financial Manager.

(10)

(15)