

Code :07MB202

M.B.A - II Semester Supplementary Examinations, August/September 2011  
FINANCIAL MANAGEMENT

(For students admitted in 2007-08 & 2008-2009 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions  
All questions carry equal marks

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1. How does the “modern” financial manager differ from the traditional financial manager? Does the modern financial managers role differ for the large diversified firm and the small to medium size firm?
2. There are two projects available in the market namely alpha and Beta. Suggest the firm which project is feasible

	Alpha	Beta
cost the project	80,000	90,000
Life the project	5 years	5 years
CFAT		
1	25000	30,000
2	30,000	30,000
3	22,000	25,000
4	33,000	20,000
5	40,000	33,000

Calculate IRR and suggest which project is feasible.

3. “Debt is cheaper source than equity”. Illustrate.
4. What is leverage? What are the types of leverage?
5. How MM Hypothesis is differ from relevance theories of dividend?
6. How do you finance current assets?
7. Explain and illustrate the utility a last budget.
8. What is a selective control of inventory? Why is it needed? Illustrate with an example and graph the ABC analysis.

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