

[21002/21102]

**SPECIAL DRIVE - DEC -2022**

**M.B.A./M.B.A. TOURISM AND HOSPITALITY DEGREE EXAMINATIONS  
SECOND SEMESTER**

**Paper - II : FINANCIAL MANAGEMENT**  
*(2016-17 and 2017-18 Admitted Batches)*  
*(Common for M.B.A. and M.B.A. T and H)*

**Time : 3 Hours**

**Maximum Marks: 75**

**SECTION - A**

**I. Answer any FIVE questions not exceeding One page each. (5×4=20)**

1. Concept of wealth maximisation.
2. Liquidity Ratio
3. Concept of cost of capital
4. Optimal capital structure
5. Time value of Money
6. Bonus shares
7. Conversion cycle
8. Stock splits.

**SECTION - B**

**II. Answer All questions not exceeding 4 pages each. (5×8=40)**

1. a) Examine the scope and objectives of Financial Management.  
(OR)  
b) Critically examine the role of Financial Manager in the present day business environment.
2. a) Write any one of the theories of capital structure of your choice.  
(OR)  
b) Outline the factors which are affective capital structure of a large scale financial organisation.
3. a) Briefly explain the process involved in capital Budgeting.  
(OR)  
b) What are the advantages and limitations of ARR Method?

4. a) Define 'Dividend'. What are the various determinants of Dividend?

**(OR)**

b) Outline the factors which are affecting Dividend policy.

5. a) Evaluate the need and importance of working capital.

**(OR)**

b) What are the various components of working capital.

**SECTION - C**  
**(Case Study)**  
**(Compulsory)**

**(1×15=15)**

**III.** A company is considering to purchase a Machine. Two Machines are available, X and Y, costing Rs.50,000 each. Earnings after taxation are expected to be as follows:

Year	Machine X	Machine Y
1	15,000	5,000
2	20,000	15,000
3	25,000	20,000
4	15,000	30,000
5	10,000	20,000

Evaluate the two alternatives according to Pay Back Period Method.

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