No. of Printed Pages : 3 **MMPC–14**

MASTER OF BUSINESS ADMINISTRATION/MASTER OF BUSINESS FINANCE (BANKING/FINANCE) (MBA/MBF)

Term-End Examination

December, 2024

MMPC–14 : FINANCIAL MANAGEMENT

Time : 3 Hours *Maximum Marks : 100*

Note : *Attempt any **five** questions. All questions carry equal marks.*

1. What is the importance of financial decisions in a company ? Discuss the different financial decisions that are usually taken in a business.

2. What do you mean by 'Risk' ? Briefly discuss the different sources of risk in an investment.

3. What is the significance of Cost of Capital ? Briefly discuss the different methods of computing the cost of equity capital.

4. What is Money Market ? What is its significance ? Discuss the main participants of money market.

5. Why do business firms need to plan their capital structure ? Briefly explain the different determinants of capital structure.

6. Why do firms distribute dividends ? Discuss the different factors which impact the determination of dividend policies of a firm.

7. What is Buyback of Shares ? Why do companies consider this option ? Explain the provisions of the Companies Act, 2013 and SEBI Regulations with regard to Buyback of Shares.

8. A company is considering the following Investment Projects :

Year	Cashflows (in ₹)		
	Project I	Project II	Project III
0	–1,00,000	– 1,00,000	– 1,00,000
1	75,000	20,000	1,00,000
2	75,000	40,000	30,000
3	10,000	20,000	30,000
4	–	50,000	10,000

There is no salvage value for any of the above projects. Rank the above projects at discount rates of 10% and 15% according to Net

Present Value Method. What are your recommendations ?

	Present Value Factor at	
	10%	15%
Year 1	0.909	0.870
Year 2	0.826	0.756
Year 3	0.751	0.658
Year 4	0.683	0.572

× × × × × × ×