

No. of Printed Pages : 4

**MMPC-014**

**M. B. A./M. B. A.**

**(BANKING AND FINANCE)**

**(MBA/MBF)**

**Term-End Examination**

**December, 2025**

**MMPC-014 : FINANCIAL MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

*Weightage : 70%*

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**Note :** (i) *Attempt any five questions.*

(ii) *All questions carry equal marks.*

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1. What is 'Financial Management' ?

In what ways is the role of a Finance Manager different from that of an Accountant ?

2. "Systematic risk is non-diversifiable

whereas non-systematic risk is diversifiable." Discuss this statement with

reference to financial management of a Multinational Company (MNC).

Also discuss in brief the causes of risk in an MNC.

3. Explain the features of an appropriate

capital structure and discuss the

determinants of capital structure of a firm.

4. “Financial leverage is like a double-edged weapon; it can have both favourable as well as unfavourable impact on shareholders’ earning.” Explain by giving a suitable example.
5. What is ‘Behavioural Finance’ ? Discuss some of the biases that influence investment decisions of investors.
6. What is meant by ‘Valuation of a firm’ ? Discuss different approaches of business valuation.
7. What is meant by ‘Relevance of Dividend’ ? Discuss any *two* theories of relevance of dividend.

8. With the help of the following data, compute the Weighted Average Cost of Capital using book value weights. Book value is in million rupees :

Source	Book Value	After tax Cost
Equity Shares (₹ 100 each)	100	14%
9% Cumulative Preference Shares	40	9%
11% Debentures	160	7.7%
Retained Earnings	40	14%

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