

No. of Printed Pages : 4

**MMPC-014**

**MASTER OF BUSINESS  
MANAGEMENT/MBA (HEALTH  
CARE AND HOSPITAL  
MANAGEMENT) /  
MBA (LOGISTICS AND SUPPLY  
CHAIN MANAGEMENT)/  
MBA (CONSTRUCTION  
MANAGEMENT)  
(MBA/MBAHCHM)**

**Term-End Examination**

**June, 2025**

**MMPC-014 : FINANCIAL MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

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

(ii) All questions carry equal marks.

1. What is Time Value of Money ? What is its significance ? Explain how the time value of money is calculated.
2. What is the need for valuation of Securities ? Discuss the different Business Valuation Approaches.
3. What is the significance of Working Capital ? What are the determinants of Working Capital ?
4. What are 'Equity Shares' and 'Debentures' ? Compare and contrast these two in relation to their advantages and disadvantages.
5. Why is dividend decision important for a firm ? Explain briefly, different relevance theories of dividend.

6. Explain the characteristics of a sound investment appraisal method. Discuss the different discounted cashflow methods of appraising investment proposals.
7. What is Behavioural Finance ? Discuss its scope and characteristics. Differentiate between Behavioural Finance and Traditional Finance.
8. A company needs ₹ 5,00,000 for acquiring a new plant. The following three financing options are being considered :
  - (i) Issuing 50000 equity shares of ₹ 10 each, or
  - (ii) Issuing 25000 equity shares of ₹ 10 each and 2500 debentures of ₹ 100 each bearing 8% rate of interest, or

(iii) Issuing 25000 equity shares of ₹ 10 each and 2500 Preference Shares of ₹ 100 each bearing a 8% rate of dividend.

The company's earnings before interest and taxes is ₹ 1,00,000/-. The tax rate applicable to the company is 50%. You are required to calculate earnings per share for each of the above financing options and suggest which option is best.

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