

QUESTION BANK
19BA201 - FINANCIAL MANAGEMENT

13 Marks

UNIT-I INTRODUCTION TO FINANCIAL MANAGEMENT

- 1. Functions & Role of Financial Manager**
- 2. Sources of Finance: Long Term and Short Term Finance.**

UNIT-II INVESTMENT DECISIONS

- 1. Nature and Importance of Capital Budgetary Process**
- 2. (i) Basic Principles in Estimating Costs**
(ii) Benefits of Investments
- 3. Appraisal Criteria – Pay Back Period, Average Rate of Return, Net Present Value, Time Value of Money, Benefit Cost Ratio, Internal Rate of Return.**

UNIT-III COST OF CAPITAL & CAPITAL STRUCTURE

- 1. Cost of Debt, Cost of Equity & Weighted Average Cost of Capital**
- 2. Capital Structure Theories: Net Income Approach, Net Operating Income Approach, Miller and Modigliani Propositions I and II**
- 3. Concept of leverage - Financial, Operational and Combined**

UNIT-IV DIVIDEND POLICY

- 1. Determinants of Dividend Policy**
- 2. Dividend Theories – Relevance and Irrelevance: Walter, Gordon and MM Hypothesis**
- 3. Bonus Issues, Stock Split, Buy Back of Shares, Tax Issues**

UNIT-V WORKING CAPITAL MANAGEMENT

1. Needs & Determinants of Working Capital Management

2. Estimation of Working Capital

3. Working Capital Finance: Trade Credit, Bank Finance and Commercial Paper