Reg.No: [ ][ ][ ][ ][ ][ ][ ]

SNS College of Technology, Coimbatore-35.
(Autonomous)
Internal Assessment - I
Academic Year 2023-2024 (Even)
Second Semester
Department of Management Studies
23BAT611 – Financial Management

| **A** |

Time: 1 ½ Hours   **Maximum Marks: 50**

	Answer all the questions	**CO**	**Bloom**	**Marks**
1.	Define Financial Management.	CO 1	R	2
2.	Recall the concept of Dividend Decision.	CO 1	R	2
3.	Distinguish Equity and Preference Share.	CO 1	U	2
4.	Outline the concept of Capital Budgeting.	CO 2	U	2
5.	Show the accept or reject criteria under PI Method.	CO 2	U	2
	PART B (2 * 13 Marks = 26 Marks & 1*14 Marks = 14 Marks)			
6. a.	Explain the objectives of Financial Management.	CO 1	An	13
	or			
b.	Assess the various sources of finance with its pros and cons.	CO 1	Ev	13
7. a.	Examine the functions of financial management in detail.	CO 1	An	13
	(or)			
b.	Explain the techniques of capital budgeting in detail.	CO 2	R	13
8. a.	Case Study: ABC Limited has under consideration two mutually exclusive proposals for the purchase of new equipment.	CO 2	An	14

Particulars	Machine X	Machine Y
Net Cash Outlay	1,00,000	75,000
Salvage Value	-	-
Life Years	5	5
PBDT	Rs.	Rs.
1	25,000	18,000
2	30,000	20,000
3	35,000	22,000
4	25,000	20,000
5	20,000	16,000

Assume Tax rate to be 50%,
Suggest to the management the best alternative using:
a) Pay Back Period b) Average Rate of Return

	or			
b.	A Limited Company is considering the purchase of a new machine, which will replace some manual operations. There are two alternatives X and Y. From the following information prepare a profitability statement and work out the payback period for each.	CO2	An	14

Particulars	Model X	Model Y
Cost of the Machine	1,50,000	2,50,000
Estimated Life	5 Years	6 Years
Cost of Indirect Materials	6,000	8,000
Estimated Savings in Scrap	10,000	15,000
Additional Cost of Maintenance	19,000	27,000
Estimated Savings in Direct Wages: Employees not required Wages Per Employee	15 6,000	20 6,000

*Abbreviations: CO: Course Outcome, R: Remember, U: Understand, APP: Apply, An: Analyze, E: Evaluate, C: Create

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Course Faculty	**Teaching Coordinator**	**HOD / MBA**
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