

UMESCHANDRA COLLEGE
13, SURYA SEN STREET KOLKATA 700012
INTERNAL EXAMINATION 2021

SEMESTER: VI

SUBJECT: FINANCIAL MANAGEMENT

TOTAL MARKS: 10

1. In modern approach, financial management covers which of the following decision areas?
 - a. Investment decision
 - b. Financing decision
 - c. Dividend decision
 - d. All of the above
2. Compute financial leverage, contribution = Rs 200000, fixed cost =Rs 60000, EBT = Rs 100000.
 - a. 1.40
 - b. 2.40
 - c. 0.40
 - d. 2
3. Calculate working capital, when Stock =RS 80,000, Debtors = RS 50,000, Bills Receivable= RS 40,000, Cash = RS 80,000, Creditors = RS 1, 50,000, Outstanding Expenses= RS 20,000, Proposed Dividend = RS 30,000.
 - a. 30,000
 - b. 50,000
 - c. 60,000
 - d. 20,000
4. Calculate pay – back period when initial investment = RS 4, 00,000, Annual cost inflow= RS 80,000, salvage value = RS 2, 80,000.
 - a. 5 years
 - b. 3.5 years
 - c. 1.4 years
 - d. 3 years

5. Calculate operating leverage when sales = RS 500, contribution = RS 300, EBIT = RS 150 ,(RS in lakhs).

- a. 1
- b. 2
- c. 3
- d. 4

6. Compute cost of debt (k_d) , if $I = RS 10$, $t = 30\%$, $NP = RS 100$

- a. 9%
- b. 7 %
- c. 10%
- d. 5 %

7. Which of the following is not a short term source of finance.

- a. Bills of exchange
- b. Trade credit
- c. Debenture
- d. Advance from customers.

8. An individual invests RS 4000 at 10 % interest rate compounded annually for 5 years. Find out the amount that he would receive after 5 years.

- a. RS 6442
- b. RS 7000
- c. RS 8000
- d. RS 6000

9. The objective of business firm include

- a. Profit maximisation
- b. Wealth maximisation
- c. Both a and b
- d. None

10. What are the factors determining the working capital requirement.

- a. Nature of business
- b. Size of business
- c. Volume of sales
- d. All of the above.

ANSWER:

1. D
2. A
3. A
4. A
5. B
6. B
7. C
8. A
9. C
10. D