

31-3-2018



**DOON UNIVERSITY, DEHRADUN**  
**Mid Semester Examination, Second Semester, 2018**  
**Academic Year 2017-18 ( Even Semester)**  
**School of Management**  
**Programme Name-MBA**  
**Course Code and Title :MMS-514 -Financial Management**

*Time Allowed 2.00 Hours*

*Maximum Marks: 30*

**SECTION : A**

**(Very Short Answer Type Questions) (2x3=6)**

1. What do you understand by financial management?
2. Define time value of money.
3. What is the scope of financial management?

**SECTION : B**

**(Short Answer Type Questions) (4x3=12)**

1. What are functions of finance manager?
2. What are the objectives of financial management?
3. A project requires an investment of Rs. 10,000 and its estimated annual cash inflows are as follows:

Years	Annual Cash Inflows (Rs.)
1	2000
2	3000
3	4000
4	2000
5	3000

Calculate its payback period.

**SECTION : C**

**(Long Answer Type Questions) (6x2= 12)**

1. A company issued 10, 000, 8% preference shares of Rs. 100 each. It has incurred the following expenses: underwriting commission = 2%, brokerage= 1%, other expenses= Rs. 5000. Calculate cost of preference share.
2. Elaborate capital budgeting techniques in detail.