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V Semester B.Com. (Regular) (BDA/T&T/LSCM/I&AS) Degree Examination,  
December/January - 2025/26

**COMMERCE****Financial Management****(NEP Semester Scheme (F+R))****Paper : 5.1****Time : 2½ Hours****Maximum Marks : 60****Instructions to Candidates:***Answers should be written in English only.***SECTION - A****Answer any Five sub-questions. Each sub-question carries Two marks. (5×2=10)**

1. a) What do you mean by Wealth Maximisation.
- b) List any two Functions of Financial Management.
- c) Calculate the future value of Rs. 20,000 invested for a period of 5 years @ 8% rate of interest.
- d) List any four factors determining the Capital Structure.
- e) Sales 10,000 units, Variable Cost 30%, Fixed Cost 1,00,000. Calculate Contribution if the Selling Price is Rs. 80 per unit.
- f) What is Investment Decision?
- g) List Four Sources of working capital.

**SECTION - B****Answer any Four of the following questions. Each question carries Five marks.****(4×5=20)**

2. Briefly explain five characteristics of sound financial planning.
3. Mr X deposits Rs. 5000 at the beginning of each year for 5 years in a bank and the deposit earns a Compound Interest at 8% p.a. Determine how much money he will have at the end of 5 years.

**[P.T.O.]**



4. Calculate leverages from the following :

Sales (1,00,000 units)	= Rs. 2,00,000
Variable Cost per unit	= Rs.0.70
Fixed cost	= Rs. 65,000
Interest Charges	= Rs. 15,000

5. Briefly Explain the factors influencing investment decisions.
6. A company is proposing to take up a project, which requires an investment of Rs. 1,20,000. The net income before depreciation and tax is estimated as follows :

Year	Rs.
1	30,000
2	36,000
3	42,000
4	48,000
5	60,000

Depreciation is to be charged on straight line basis. Tax rate is 50%. Calculate Accounting Rate of Return.

### SECTION - C

Answer any Two of the following questions. Each question carries Twelve marks

(2×12=24)

7. It is proposed to start a business requiring a capital of Rs. 20,00,000 and an assured return of 20% on investment.
- Calculate EPS if :
- The entire amount is through Equity Shares.
  - If 50% is raised through the debt of 10% interest and 50% through equity capital
  - If the entire amount is raised through Debt @ 12%
  - If 25% is raised through Equity and 75% is raised through the debt at 10% interest.
8. A company is considering an investment proposal to install a new machine. The project will cost Rs. 50,000 and will have a life of 5 years and no salvage value. The tax rate is 50% and



the company follows Straight Line Method of depreciation. The net earnings before depreciation and tax is as follows :

Year	Rs.	Discount Factor @ 10%
1	10,000	0.909
2	11,000	0.826
3	14,000	0.751
4	15,000	0.683
5	25,000	0.621

Calculate PBP, NPV & PI @ 10%.

9. Explain the sources of financing of Working Capital Requirements.

#### SECTION - D

Answer any One of the following questions. Which carries Six marks.

(1×6=6)

10. Calculate EBIT and EPS with imaginary figures.
11. Calculate PBP with imaginary figures of uneven cash inflow for three years.
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