

MMIE-301(A)
M.E./M.Tech., III Semester Examination, June 2020

Financial Management

(Elective - I)

Time : Three Hours

Maximum Marks : 70

- Note :** i) Answer any five questions.
 ii) All questions carry equal marks.

1. a) Discuss the role of financial management in business decisions. 7
 b) What is the dominant objective of financial management? Discuss fully and show how it is superior to other objectives? 7
2. a) What are financial ratio? Discuss major financial ratio and their uses for financial analysis. 7
 b) What is profit and loss statement? Differentiate between gross profit, operating profit and net profit. 7
3. a) What are the various kinds of Investments? How are investment decision made? 7
 b) What are the elements of cost estimation and budgets in a project? Which elements are common to all projects? 7
4. a) Describe the project cost accounting system? How is it differ from a project management information system? 7
 b) Consider the following decision making situation involving alternatives A & B. 7

	A	B
Investment (Rs.)	30,000	40,000
Salvage Value (Rs.)	4,000	1,000
Annual receipts (Rs.)	15,000	12,000
Annual costs (Rs.)	5,000	8,000
Life (years)	6	11

If minimum acceptable rate of return is 15% and period of analysis is 12 years which alternative is to be chosen (use NPV method).

5. a) What are operating and financial leverage? What data you need to computing the degree of these leverage? 7
 b) Explain following briefly: 7
 - i) Risk profitability trade off,
 - ii) Temporary and permanent current assets

6. a) What is meant by informal organization? Give examples with some relative merits and demerits. 7
- b) Project management is a system approach to management. Comment. 7
7. a) Explain the benefits and perceived drawbacks of computerized PMS. 7
- b) What are the five nominal stages of project control process? Can some of these stages can be managed? Explain for a simple project. 7
8. Write short notes on any three: 14
- i) Net Present Value Method & Pay Back Method
 - ii) Balance Capital Structure
 - iii) IPR Procedure and Practices
 - iv) Cost Control Curve.

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