

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.A. DEGREE EXAMINATION – ECONOMICS

SIXTH SEMESTER – APRIL 2016

EC 6602 – FINANCIAL MANAGEMENT

Date: 21-04-2016

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART-A

Answer any FIVE Questions in about 75 words each:

(5 × 4 = 20 Marks)

1. State the relationship of financial management to micro economics.
2. How do you determine the income tax liability of a company?
3. Distinguish between Finance Ratio and Financial Interrelations Ratio.
4. What is intermediation Ratio?
5. Money has a time value – illustrate.
6. What is the present value concept? Explain the process for calculating the present value of a sum received after 'n' years?
7. Define explicit and implicit costs.

PART-B

Answer any FOUR Questions in about 250 words each:

(4 × 10 = 40 Marks)

8. Bring out the scope of business finance.
9. What are the goals of financial management?
10. Enumerate the sole proprietorship and partnership.
11. Write a short note on MODVAT, CENVAT and VAT.
12. Explain about the financial instruments.
13. Examine the debenture valuation models adopted for valuation of redeemable debentures and perpetual debentures.
14. What is cost of capital? Explain its basic aspects and significance.

PART-C

Answer any TWO Questions in about 900 words each:

(2 × 20 = 40 Marks)

15. Discuss about the regulatory framework of an enterprise in terms of New Industrial Policy and SEBI.
16. Describe the equilibrium in financial markets.
17. Examine the features of various forms of business organizations.
18. Elucidate the computation of following cost of capital:
(a) Cost of debt (b) Cost of preference capital (c) Cost of redeemable preference
d) Weighted average cost of capital.

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