



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SIXTH SEMESTER – APRIL 2017

EC 6602 - FINANCIAL MANAGEMENT

Date: 24-04-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

Part- A

Answer any FIVE Questions in about 75 words each.

(5x4=20 Marks)

1. State the Reasons why shareholders wealth maximization has become important in India in recent years.
2. What are the key challenges of financial managers in India?
3. List out the deductions that can be claimed from business income or receipts.
4. State reasons justifying time value of money
5. What is multiple compounding period? State the formula for computing the same.
6. State the rational of cost of capital with an example.
7. Define Book value proportion.

Part- B

Answer any FOUR Questions in about 250 words each

(4x10=40 Marks)

8. Briefly Explain the goals of financial management
9. State the relationship of finance to economic and accounting
10. Differentiate between Sole Proprietorship, Partnership and Corporation
11. Explain the role of financial institutions.
12. Explain about the techniques of time value of money
13. Distinguish between implicit cost and explicit cost and bring out its importance.
14. Explain the measurement of the cost of equity capital.

Part- C

Answer any TWO Questions in about 900 words each

(2x20=40 Marks)

15. Explain in detail about emerging role of finance managers in India and the challenges.
16. Explain in detail about direct and indirect taxes applicable to companies.
17. Elaborate the types of financial markets and equilibrium in financial markets with graphs.
18. Discuss in detail the computation of overall cost of capital and the assignment of weights.
