

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**B.A.DEGREE EXAMINATION –ECONOMICS**

**SIXTH SEMESTER – APRIL 2018**

**EC 6602– FINANCIAL MANAGEMENT**

Date: 21-04-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

**PART – A**

**Answer any FIVE questions in about 75 words each (5 x 4 = 20 marks)**

1. State the meaning and significance of Business Finance.
2. What are the various forms of a Business organization?
3. Write a brief note on managerial finance functions.
4. Point out the difference between Public Company and Private Company.
5. Enumerate the financial instruments of the Indian Financial system.
6. Give the definition and the formula for calculating NPV.
7. Write a note on cost of capital.

**PART – B**

**Answer any FOUR questions in about 250 words each. (4 x 10 = 40 marks)**

8. Discuss the role of a Finance Manager in the contemporary scenario.
9. Distinguish between finance function and accounting function in a business.
10. Write short note on SEBI and its functions.
11. Explain the approaches adopted for valuation of shares.
12. Discuss the significance and relevance of the cost of capital.
13. Differentiate between a sole proprietorship and a partnership firm.
14. Bring out the arguments for and against a cooperative society.

**PART – C**

**Answer any TWO questions in about 900 words each (2 x 20 = 40 marks)**

15. 'Financial Management as an integral part of overall management is not an independent area' – Justify.
16. Critically evaluate the role being played by RBI in regulating India's financial sector.
17. Discuss the objectives and major changes brought in India's Industrial Policy of 1991.
18. Explain in detail the following concepts:
  - a) Explicit and Implicit Cost
  - b) Opportunity Cost
  - c) Cost of Debt
  - d) Weighted Average Cost of capital

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