



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

SIXTH SEMESTER – APRIL 2025

EC 6602 – FINANCIAL MANAGEMENT



Date: 06-05-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A

ANSWER ANY FOUR OF THE FOLLOWING

4 X10=40 Marks

1. Explain the sources of Business Finance.
2. Explain the emerging role of Financial Managers.
3. Differentiate between Public company and Private company
4. Evaluate the relationship between Financial Management and Economics.
5. Analyse the objectives of the Industrial licensing policy since 1948.
6. Discuss the different methods analysing the time value of money.
7. Bring out the importance of Discounting and Compounding Techniques
8. Anand makes a fixed deposit of ₹ 10,000 in a bank which pays 10% interest. what is the effective rate of interest if compounding is done (a)semi-annually;(ii) quarterly (iii)Monthly?

SECTION - B

ANSWER ANY THREE OF THE FOLLOWING

3 X 20 =60 Marks

9. Explain the scope of Financial Management.
10. Discuss the merits and demerits of Sole Proprietorship.
11. Explain the Objectives and powers of SEBI.
12. Elaborate the methods of Capital Budgeting Techniques.
13. The below is the capital structure of SAM Ltd. Calculate the weighted average cost of capital using book value weights and market value weights.

Source	Book Value	Market Value	After tax cost
Debentures	12,00,000	12,00,000	5%
Preference Share Capital	4,00,000	4,00,000	10%
Equity Share Capital	8,00,000	16,00,000	15%
Retained earnings	16,00,000	-	12%

14. Explain Financial market Equilibrium with the help of diagram.
