III Semester B.Com. Examination, Nov./Dec. 2015 (CBCS) (Semester Scheme) (2015-16 and Onwards) (Fresh) COMMERCE 3.4 : Financial Management

Time: 3 Hours

Max. Marks: 70

Instruction: Answer should be written completely either in English or in Kannada.

SECTION-A

Answer any five sub-questions. Each sub-question carries two marks.

 $(5 \times 2 = 10)$

- a) What is financial management?
 - b) What is annuity?
 - c) What is financial leverage?
 - d) Mention two steps in financial planning.
 - e) What is accept and reject criteria in NPV?
 - f) The earnings after tax is ₹ 12,30,000, income tax rate is 38.5%, interest is ₹ 4,00,000. Find out EBIT.
 - g) What is the pay back period when the cost of investment is ₹ 30,00,000 and cash in flows for first 2 years ₹ 4,50,000, ₹ 6,00,000 and for next 2 years ₹ 9,00,000 each.

SECTION-B

Answer any three questions. Each question carries six marks.

 $(3 \times 6 = 18)$

- "Financial Management is indispensable in any organisation". Bringout its importance.
- 3. "Financial planning is concerned with future". Do you agree?

P.T.O.



3	1,50,000	1,20,000
4	90,000	1,80,000
5	60,000	1,80,000

You are also given following information.

Year	PV of₹1 @ 10% discount
100003	0.909
2	0.826
3	0.750
4	0.683
5	0.620

Evaluate the proposal under

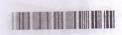
- 1) The Accounting Rate of Return (ARR)
- 2) The Net Present Value (NPV).
- 10. The Balance Sheet of a company is as follows.

Liabilities	Amount₹	Assets	Amount₹
Equity shares of ₹ 10 each	6,00,000	Fixed Assets	15,00,000
10% Debentures	8,00,000	Current Assets	5,00,000
P and L A/c	2,00,000		
Creditors	4,00,000		
	20,00,000		20,00,000

The company's total assets turnover ratio is 5 times. Its fixed operating expenses are ₹ 10,00,000 and variable cost is 30%. Income Tax 50%.

- 1) Calculate all the leverages
- 2) Show the likely level of EBIT if EPS is
 - a) 5

- b) 3
- c) 2



- 11. Bharat Ltd. has 600000 equity shares of ₹ 10 each. The company wants to raise another ₹ 30,00,000. These are different financial plans. Tax rate is 50%.
 - a) All Debentures carrying 10% interest.
 - b) All equity.
 - c) ₹ 20,00,000 in equity shares and ₹ 10,00,000 in debentures carrying 10% interest.
 - d) ₹ 10,00,000 in equity shares and ₹ 20,00,000 in 10% preference shares.

Calculate EPS if EBIT is

- a) ₹13,50,000
- b) ₹10,80,000

ಕನ್ನಡ ಆವೃತ್ತಿ ವಿಭಾಗ – ಎ

ಯಾವುದಾದರೂ ಐದು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

(5×2=10)

- 1. a) ಹಣಕಾಸು ನಿರ್ವಹಣೆ ಎಂದರೇನು?
 - b) ಅನ್ಯೂಟಿ ಎಂದರೇನು?
 - c) ಹಣಕಾಸಿನ ಸನ್ನೆ ಅಥವಾ ಮೀಟುವಿಕೆ ಎಂದರೇನು?
 - d) ಹಣಕಾಸು ಯೋಜನೆಯ ಎರಡು ಹಂತಗಳನ್ನು ತಿಳಿಸಿ.
 - e) ನಿವ್ವಳ ಪ್ರಸ್ತುತ ಮೌಲ್ಯದ ಆಧಾರದ ಮೇಲೆ ಬೇಕು ಅಥವಾ ಬೇಡ ಎಂಬ ನಿರ್ಧಾರವನ್ನು ಹೇಗೆ ತೆಗೆದುಕೊಳ್ಳುವಿರಿ?
 - f) ತೆರಿಗೆ ನಂತರದ ಲಾಭ ರೂ. 12,30,000, ತೆರಿಗೆ ಶೇ. 38.5%, ಬಡ್ಡಿ ರೂ. 4,00,000. EBIT ಕಂಡುಹಿಡಿಯಿರಿ.
 - g) ಬಂಡವಾಳ ಹೂಡಿಕೆಯ ವೆಚ್ಚರೂ. 30,00,000ವಿದ್ದು ನಗದು ಒಳಹರಿವು ಮೊದಲೆರಡು ವರ್ಷಗಳಲ್ಲಿ ರೂ. 4,50,000, ರೂ. 6,00,000 ಮತ್ತೆ ಮುಂದೆರಡು ವರ್ಷಗಳಲ್ಲಿ ಪ್ರತಿ ವರ್ಷ ರೂ. 9,00,000 ವಿದ್ದಾಗ, ಅದರ ಹಿಂತಿರುಗಿ ಕೊಡುವ ಅವಧಿ (Pay Back Period) ಎಷ್ಟು ?