



Reg. No. :

Name :

**Second Semester M.A. (Human Resource Management) Degree
Examination, August 2017
HRM 2.2.5 : FINANCIAL MANAGEMENT
(2014 Admission Onwards)**

Time : 3 Hours.

Max. Marks : 75

PART – I

Answer **all** questions. Answer should **not** exceed **50** words. **Each** question carries **2** marks :

1. What are the components of capital structure ?
2. What is meant by capitalisation ?
3. Differentiate specific cost and composite cost of capital.
4. What are the sources of fixed working capital ?
5. What is meant by receivables ?
6. Write a note on factoring.
7. What is inventory turnover ratio ? Why it is calculated ?
8. What do you mean by 'capital gearing' ?
9. State various motives of holding cash.
10. What is meant by zero coupon bonds ?

(10×2=20 Marks)

PART – II

Answer **any five** questions. Answer should **not** exceed **500** words. **Each** question carries **5** marks :

11. What are the methods of maximising the profits of a business ?
12. Explain briefly the financial management process.
13. Differentiate capital structure and financial structure.
4. Explain briefly the significance of the cost of capital.



15. What are the advantages of adequate working capital ? Explain briefly.
16. What are the factors influencing receivables ?
17. What are the different forms of dividend ? Explain briefly.
18. Distinguish between profit and loss account and balance sheet. (5×5=25 Marks)

PART – III

Answer **any two** questions. Answer should **not** exceed **1200** words. **Each** question carries **15** marks :

19. Define the term 'working capital'. What factors would you take into consideration in estimating the working capital needs of a concern ?
20. Explain the various factors which influence the dividend decision of a firm.
21. What is meant by inventory management ? What are the tools and techniques of inventory management ?
22. From the following balances extracted from the books of Sri A. Anand as on 31st March 2015, you are required to prepare (a) Trading and Profit and loss account and (b) Balance sheet.

	Rs.		Rs.
Capital 1-4-2014	10,000	Bank	1,500
Debtors	2,700	Goods-in-trade	2,000
Machinery	3,500	Rent	450
Drawings	900	Sales	14,500
Purchases	9,500	Sundry expenses	200
Creditors	1,400	Carriage	150
Wages	5,000		

Additional information : Stock as on 31-3-2015 Rs. 600.

(2×15=30 Marks)