

CBCS SCHEME

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15ME743

Seventh Semester B.E. Degree Examination, July/August 2021 Financial Management

Time: 3 hrs.

Max. Marks: 80

Note: Answer any FIVE full questions.

- 1 a. What is Book Keeping? Explain the common types of Book Keeping Accounts. (08 Marks)
b. What is Balance Sheet? How do you prepare the Trial balance with example? (08 Marks)
- 2 a. What are the Forms of Organisation? Mention the types and explain any one. (08 Marks)
b. What is Direct and Indirect tax? Explain with flow chart. (08 Marks)
- 3 a. What is Capital Management? What are the factors influencing Working Capital Management. (08 Marks)
b. What is Operating Cycle? Explain with flow chart. (08 Marks)
- 4 a. What is Debt? Mention the types of debt Instrument. (08 Marks)
b. What is Share and Debentures? Explain any one share. (08 Marks)
- 5 a. What is Investment decisions? Discuss any one importance of Investment decision. (08 Marks)
b. What are Disinvestment methods? Explain i) Cross holdings ii) Public offer. (08 Marks)
- 6 a. What is Current Asset Management? Explain the Wealth Management and mention the benefits and importance. (08 Marks)
b. What is Asset Reliability Management? Explain the importance of Asset Management. (08 Marks)
- 7 a. What is Risk? Draw the flow chart of Risk and explain Business Risk. (08 Marks)
b. What is Arbitrage Pricing theory? Explain. (08 Marks)
- 8 a. Write short notes on :
i) Liquidity Ratio ii) Quick Ratio iii) Turnover Ratio
iv) Gross profit margin v) Net profit margin. (10 Marks)
b. Compute the inventory turnover ratio and average selling period from the following data of a trading company.
* Sales Rs 75,000 ; Gross profit Rs 35,000 ; Opening Inventory Rs 9,000
Closing Inventory Rs 7,000. (06 Marks)
- 9 a. What is Costing? How do you classify the cost? Explain. (08 Marks)
b. Explain Standard Costing? What is the difference between Process Costing and Job Costing? (08 Marks)
- 10 a. What is Budgeting? Explain types of Budgeting. (08 Marks)
b. What is Budgetary Control? Mention the advantages and disadvantages of Budgetary Control. (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg. 42+8 = 50, will be treated as malpractice.