Register No : ________________

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

MBA DEGREE END SEMESTER THEORY EXAMINATIONS, NOV/DEC 2025

Second Semester

Mater of Business Administration

PMBT2422 - Financial Management

Regulations – 2024

Duration : 3 Hrs *Maximum : 100 Marks*

*PART – A (ANSWER ALL QUESTIONS) (Marks 10*2=20)*

Q.No	Questions	BLT	CO	Marks
1.	List major financial decisions.	L1	1	2
2.	What are the major financial decisions in financial management?	L1	1	2
3.	Apply the Payback and Net Present Value methods to evaluate an investment project.	L3	2	2
4.	List one technique for evaluating capital budgeting decisions.	L1	2	2
5.	Calculate the degree of financial leverage given a hypothetical situation.	L3	3	2
6.	Differentiate between operating and financial leverage and their impact on a company's risk profile.	L2	3	2
7.	Write the concept of working capital and its determinants.	L2	4	2
8.	List two forms of long-term finance.	L1	4	2
9.	State the advantages and disadvantages of venture capital financing for startups.	L1	5	2
10.	What is the Indian capital market?	L1	5	2

*PART – B (ANSWER ALL QUESTIONS) (Marks 5*16 = 80)*

Q.No			Questions	BLT	CO	Marks
11.	a	i	Explain the functions of financial management in detail.	L2	1	8
		ii	Explain the features of shares and bonds.	L2	1	8
			Or			
	b	i	Compare single asset risk and portfolio risk.	L2	1	8
		ii	Explain the objectives of financial management and their impact on organizational success.	L2	1	8
12.	a	i	Compare the differences between DCF techniques in capital budgeting.	L4	2	8
		ii	List the process of identifying relevant cash flows in capital budgeting.	L4	2	8
			Or			
	b	i	Analyze the advantages and disadvantages of using the Payback period as an evaluation technique.	L4	2	8
		ii	Compare and contrast different evaluation techniques in capital budgeting, such as Payback Period, NPV, IRR, and Profitability Index.	L4	2	8

13.	a	i	Examine Walter's model in the context of dividend decisions.	L4	3	8
		ii	Compare the relevance and irrelevance theories of dividends.	L4	3	8
			Or			
	b		Outline the factors that determine a company's capital structure.	L4	3	16
14.	a	i	Explain the role of private equity in financing businesses.	L2	4	8
		ii	Interpret the characteristics of shares as a source of long-term finance.	L2	4	8
			Or			
	b		Compare the new issues market and the secondary market.	L2	4	16
15.	a		Explain the role of private equity in financing businesses.	L2	5	16
			Or			
	b	i	Explain the characteristics of shares as a source of long-term finance.	L2	5	8
		ii	Interpret the advantages and disadvantages of lease financing.	L2	5	8