TIME : 2 ½ Hours **MARKS : 75**

Q. 1 A) State whether the following statements are true or false (any eight) (8)

1. Quality is one of the important factor in TQM
2. In ZBB, there is a scope for inflated budget
3. Equity share holders are the owners of the company
4. The capital structure IS Blend Of EQUITY AND DEBT
5. Financial decisions are not based on cost of capital
6. Cost of equity is not depends on rate of dividend
7. Mission is developed by lower level management
8. Investments are trading assets
9. yield value depends on net assets
10. Arbitrage is hedging strategy

B) Match the column (any seven) (7)

A	B
1. Quality	a. dividendl
2. Target costing	b. Durand
3. Equity Share	c. Weighted average cost
4. NI approach	d. modern method
5. Composit cost	e. TQM
6. Philosophy	f. long term plan
7. Debt – Equity ratio	g. worst loss
8. Strategy	h. additional unit
9. Credit war	i. shows solvency
10. Marginal costing	j. values and beliefs

Q. 2 A) Discuss the importance of strategic financial management (8)

B) Explain the Internal failure cost (7)

OR

Q 2 C) State the needs of cost control (8)

D) Write the differences between relevant cost and irrelevant cost (7)

Q. 3 A) Briefly explain the features of Equity Shares (8)

B) Discuss the systematic and unsystematic risk (7)

OR

Q. 3 C) X & Y Company h as the following capital structure..Calculate Weighted average Cost of capital for both the companies (15)

Sources of Finance	Amount Rs. in lacs		proportion %		cost %	
	X	Y	X	Y	X	Y
Debt	20	18	25	20	8	10
Preference shares	12	14	20	25	10	12
Equity shares	18	22	35	25	12	14
Retained earnings	15	16	25	20	10	12

Q. 4 A) Explain the nimportance of due delegance (8)

B) Discuss the operational hedging strategies (7)

OR

Q. 4 C) Calculate the value of business from the following (8)

	Amount (Rs)
Share capi9tal (100 each)	60,00,000
Market value per share	100
Cash	12,00,000
Debtors	4,00,000
Stock	5,00,000
B/P	2,00,000
Creditors	3,00,000
Expenses payable	80,000

B) Calculate EPS from the following (7)

	Rs
EBI&T	400000
Debenture 6%	600000
Tax rate	40%
Preference 8%	200000
Equity share capital (100 each)	400000

Q. 5) Short notes (any three) (15)

1. Target costing
2. EPS
3. Implicit cost
4. Mission
5. Debt finance
