

2021

FINANCIAL MANAGEMENT — GENERAL

Paper : DSE-6.2A

Full Marks : 80

Candidates are required to give their answers in their own words
as far as practicable.

প্রাঙ্গলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ-ক

যে-কোনো চারটি প্রশ্নের উত্তর দাও।

- ১। একটি আধুনিক বাণিজ্যিক প্রতিষ্ঠানের প্রধান আর্থিক আধিকারিক বা ব্যবস্থাপকের কার্যকলাপ ব্যাখ্যা করো। ১০
- ২। Sougata borrows from a bank ₹ 1,00,000 at 12% rate of interest to be paid in 5 equal annual instalments at the end of each year. What will be the size of instalment? ১০
Given $(PVIFA)_{(12, 5)} = 3.605$
- ৩। A sum of ₹ 5,000 is invested for 2 years at 10% interest rate compounded biannually. Find the maturity amount. ১০
- ৪। (ক) মূলধনি বাজেট রচনা বলতে কী বোঝো? ৫+৫
(খ) বাটাকৃত প্রত্যাবর্তকাল পদ্ধতি বলতে কী বোঝো?
- ৫। The following data relate to a firm:
(ক) Earnings per share = ₹ 25
(খ) Capitalisation rate = 12%
(গ) Retention ratio = 40% ১০
Determine the share price using Gordon's Model if IRR is 15%.
- ৬। উত্তম মূলধন কাঠামোর বৈশিষ্ট্যগুলি আলোচনা করো। ১০
- ৭। A firm has sales of ₹ 5,00,000, variable cost of ₹ 3,50,000 and fixed cost of ₹ 1,00,000 and debt of ₹ 2,50,000 at 10% rate of interest. You are required to calculate operating and financial leverages of the company. If the firm wants to double its EBIT, how much of a rise in sales would be needed on a percentage basis? ৭+৩
- ৮। কোম্পানির অর্থসংস্থানে ডিবেঞ্চার বা ঋণপত্রের ভূমিকা আলোচনা করো। ১০

Please Turn Over

৯। RIL Ltd. opts for the following capital structure:

Equity Shares (100000 shares)	₹ 50,00,000
15% Debentures	₹ 50,00,000
Total	<u>₹ 100,00,000</u>

The company is expected to declare a dividend of ₹ 5 per share. The market price per share is ₹ 50. The dividend is expected to grow at 10%.

Compute Weighted Average Cost of Capital of RIL Ltd. assuming 50% tax rate. ২০

১০। From the following information prepare a statement showing the estimated working capital requirement.

Projected annual sales: 26000 units. Selling price per unit ₹ 60

Analysis of selling price:

Material: 40%, Labour: 30%, Overhead: 20%, Profit: 10%

Time lag (on average):

Raw materials in stock – 3 weeks. Production process – 4 weeks. Credit to debtors – 5 weeks

Credit from suppliers– 3 weeks. Lag in payment of wages and overheads – 2 weeks. Finished goods are in a warehouse – 2 weeks.

Cash in hand is expected to be 10% of the net working capital. ২০

১১। (ক) অভ্যন্তরীণ প্রতিদানের হার, পদ্ধতি বলতে কী বোঝো? এই পদ্ধতির গ্রহণ-বর্জন সূত্রটি লেখো।

(খ) সংক্ষিপ্ত টীকা লেখো : লভ্যাংশ নীতি ও অবশিষ্ট মুনাফা ১০+১০

১২। (ক) Compute the pay-back period for the project :

End of the year	1	2	3	4	5
Book Value of fixed assets (₹)	90	80	70	60	50
Profit after tax	20	22	24	26	28

(খ) মুনাফা অর্জন ক্ষমতাসূচক বলতে কী বোঝো? ১৫+৫

[English Version]*The figures in the margin indicate full marks.***Group-A**Answer *any four* questions.

1. Explain the functions of chief financial officer or manager in the modern business environment. 10
2. Sougata borrows from a bank ₹ 1,00,000 at 12% rate of interest to be paid in 5 equal annual instalments at the end of each year. What will be the size of instalment?
Given $(PVIFA)_{(12, 5)} = 3.605$ 10
3. A sum of ₹ 5,000 is invested for 2 years at 10% interest rate compounded biannually. Find the maturity amount. 10
4. (a) What do you mean by Capital Budgeting?
(b) What do you mean by discounted pay-back period method? 5+5
5. The following data relate to a firm:
(i) Earnings per share = ₹ 25
(ii) Capitalisation rate = 12%
(iii) Retention ratio = 40%
Determine the share price using Gordon's Model if IRR is 15%. 10
6. Discuss the features of optimum capital structure. 10
7. A firm has sales of ₹ 5,00,000; variable cost of ₹ 3,50,000 and fixed cost of ₹ 1,00,000 and debt of ₹ 2,50,000 at 10% rate of interest. You are required to calculate operating and financial leverages of the company. If the firm wants to double its EBIT, how much of a rise in sales would be needed on a percentage basis? 7+3
8. Discuss the role of debenture in company financing. 10

Group-BAnswer *any two* questions.

9. RIL Ltd. opts for the following capital structure:

Equity Shares (100000 shares)	₹ 50,00,000
15% Debentures	₹ 50,00,000
Total	₹ 100,00,000

The company is expected to declare a dividend of ₹ 5 per share. The market price per share is ₹ 50. The dividend is expected to grow at 10%.

Compute Weighted Average Cost of Capital of RIL Ltd. assuming 50% tax rate. 20

Please Turn Over

10. From the following information prepare a statement showing the estimated working capital requirement.

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Time lag (on average):

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Cash in hand is expected to be 10% of the net working capital.

20

11. (a) What do you mean by internal rate of return? Discuss its accept and reject rule.

10+10

(b) Write short note on: Dividend Policy and Retained Earnings.

12. (a) Compute the pay-back period for the project :

End of the year	1	2	3	4	5
Book Value of fixed assets (₹)	90	80	70	60	50
Profit after tax	20	22	24	26	28

(b) What do you mean by Profitability Index?

15+5