School of Pharmaceutical Management
MBA Pharmaceutical Management
Batch-14th (2022-2024)

First Year, Term 3, End Term Examinations, April 2023

CC- 632 Financial Management

Time - 3 Hour | **Maximum Marks:50 (Pass Marks: 20)**

The question paper contains 1 printed page.

Q1. (a) Explain the concept of incorporate and un-incorporated organization from the perspective of Ownership, Taxation and Goodwill. (5 marks)

(b) Explain the nature of Drawing A/C, Prepaid rent A/C, Bank loan A/C, while explaining why is there debit balance in cash A/C? (5 marks)

Q2. (a) ***"Finance is pervasive."*** Do you think that this is an omnipresent and omnipotent concept? If no, then what are alternatives available to act as grease to run the economy? (5 marks)

(b) Explain optimization vs profit maximization. (5 marks)

Q3. (a) Illustrate systematic vs unsystematic risk. How would you control the risk of market, technology-competition? (5 marks)

(b) As a finance manager, how would you address the challenges arising out of "from complacent business environment to competitive business environment in respect of PLC, cost and revenue matrix, consumer preferences and rejections? (5 marks)

Q4. (a) Answer the following questions: (1 x 5 = 5 marks)

(i). Explain rule of 72/69.
(ii). Required rate of return vs expected rate of return.
(iii). Annuity vs perpetuity.
(iv). What is the PV of Rs. 1000 receivable after 6 years if the rate of discount is 10% per annum? (Rs. 1 @10% for 6 years is 0.565)
(v). Usage of paid-up capital vs issued capital.

(b) Examine the value of the firm in NI approach while highlighting the role of *kd* vs *ke*. How is it different from value of the firm under NOI approach. (5 marks)

Q5. (a) Explain the concept of operating cycle. How is the synchronization of component of operating cycle restored with delay in account receivable? (5 marks)

(b) Explain the following: (1 x 5 = 5 marks)

(i). MPV vs IRR
(ii). EOQ
(iii). Impact stiff credit standard
(iv). Merger vs Amalgamation
(v). EPS vs DPS