Enrolment No.: ....

IIHMR UNIVERSITY

Institute of Health Management Research

MBA Hospital and Health Management
Batch-29th (2024-2026)
First Year, Term 2, End Term Examinations, March 2025

CC – 611 Financial Management

EXAMINATION CELL IIHMR

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

Instructions to students:

- **This question paper contains 2 printed pages.**
- **Don't write anything on the Question Paper except writing your Enrolment No.**

Part A

(Maximum Marks: 5)

Q1. Fill in the blanks and choose the correct answer of the following questions (1 mark each):

a. As per the accounting equation Asset= ....+.........

b. Which one of the following is not a real account?

i. Machine account ii. Cash account
iii. Goodwill account iv. Purchase account

c. Alfa company issued 10% perpetual debt at 10% premium; cost of debt is ......%.

d. Net working capital =................

e. The corporate income which is given to the shareholders as a return on investment is known as.............

Part B

(Maximum Marks: 15)

Answer the following questions (5 marks each):

Q2. If you pay ₹10000 at the end of every six months for the next four years as equated instalment on a loan, what is the value of loan today? The applicable interest rate is 7%.

Q3. If a proposal needs an investment of ₹180000 and cash inflows are ₹35000, ₹40000, ₹38000, ₹42000, ₹36000 and ₹48000 for the next six years, respectively. Calculate payback period.

Q4. How does bonus dividend affect the shareholder's wealth, discuss.

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Enrolment No.: ....

Part C

(Maximum Marks: 30)

Answer the following questions in detail (10 marks each):

Q5. Why do organizations need to calculate the cost of capital? Discuss how the cost of capital is calculated?

Q6. Discuss the relevance of trade-off theory and pecking order theory of capital structure.

Q7. Discuss the significance of the working capital cycle for a business, how gross operating cycle and net operating cycle are calculated, show your calculation with suitable example.

EXAMINATOR
CELL
NIHM

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