



Enrolment No.:

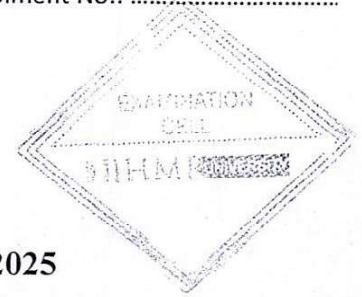
Institute of Health Management Research

MBA Hospital and Health Management

Batch-29th (2024-2026)

First Year, Term 2, End Term Examinations, March 2025

CC – 611 Financial Management



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):

- As per the accounting equation $\text{Asset} = \dots + \dots$
- Which one of the following is not a real account?
 - Machine account
 - Cash account
 - Goodwill account
 - Purchase account
- Alfa company issued 10% perpetual debt at 10% premium; cost of debt is%.
- Net working capital =
- 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):

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

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.

