

U.S.N.

B.M.S. College of Engineering, Bengaluru-560019

Autonomous Institute Affiliated to VTU

June 2025 Semester End Main Examinations**Programme: B.E.****Semester: IV****Branch: Computer Science and Business Systems****Duration: 3 hrs.****Course Code: 23BSPCFMT****Max Marks: 100****Course: Financial Management**

Instructions: 1. Answer any FIVE full questions, choosing one full question from each unit.
2. Missing data, if any, may be suitably assumed.

Important Note: Completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages. Revealing of identification, appeal to evaluator will be treated as malpractice.			UNIT - I	CO	PO	Marks
	1	a)	Explain in detail the concepts of wealth maximization decision criterion and identify two important issues in value maximization.	I	II	10
		b)	Define the terms that are used in Balance Sheet under Assets, Equity and Liabilities.	I	II	05
		c)	What is an Agency Problem? How do you prevent/minimize agency problem?	I	II	05
			OR			
	2	a)	Explain the ways by which market forces acts to prevent agency problems.	I	II	10
		b)	Explain three major decisions as finance function in the financial management.	I	II	10
			UNIT - II			
	3	a)	Define i) Gross profit margin ratio, ii) EBITDA margin, iii) Net profit margin ratio, iv) Returns on assets, and v) Earning power.	2	II	10
		b)	What is valuation ratio? Explain four valuation ratios to assess the firm.	2	II	10
			OR			
	4	a)	Explain non-current assets and non-current liabilities in financial management	2	II	8
		b)	Explain Profit and loss statement with suitable proforma.	2	II	6
		c)	Explain operating, investing and Financing components for cash flow.	2	II	6

		UNIT - III			
5	a)	What is financial planning? Why it is required for any enterprise.	3	11	8
	b)	Prepare the proforma of balance sheet for an organization.	3	11	6
	c)	Explain the methods for preparing the pro forma statement of profit and loss account.	3	11	6
		OR			
6	a)	What is sales forecast? Enlist the different methods to do the same.	3	11	8
	b)	Explain internal growth rate and sustainable growth rate	3	11	6
	c)	What's the significance of cash flow stream related to time value of money.	3	11	6
		UNIT - IV			
7	a)	Explain the discounted criteria for time value of money.	4	11	10
	b)	Explain the basic principles of cash flow management.	4	11	10
		OR			
8	a)	Explain capital budgeting process in detail.	4	11	10
	b)	Describe how capital projects are classified.	4	11	10
		UNIT - V			
9	a)	Explain in detail key steps for decision tree analysis	5	11	6
	b)	Describe the steps involved in breakeven analysis	5	11	6
	c)	Illustrate the circumstances related to risk reducing strategies, which often managers used for maximizing profit.	5	11	8
		OR			
10	a)	What is risk associated with any business. Explain how they are classified	5	11	6
	b)	Explain the ways to incorporate the risk factor into capital expenditure analysis	5	11	6
	c)	Explain different ways for project selection under risk in decision making process.	5	11	8
