

M.Com. Semester-II Examination, 2020
Subject: Commerce
Paper: COM 206
(Financial Management)

Time: 2 Hours

Full Marks: 40

The figures in the margin indicate full marks.
Candidates are required to give their answers in their own words
as far as possible

Module 1

Answer any two questions.

10 X 2 =20

1. “Financial Management is nothing but managerial decision making on asset-mix, capital-mix and profit allocation”. Explain.
2. Explain the salient features of the present value method of project evaluation and examine its rationality.
3. Write short notes on: Cost of perpetual debt, cost of redeemable debt, cost of preference share and cost of equity.

Module 2

Answer any two questions.

10 X 2 =20

4. Briefly analyse the assumptions and the basic propositions put forward by Modigliani and Miller to describe the relationship among capital structure, cost of capital and value of the firm.
5. Explain Gordon’s dividend model . Mention its shortcomings.
6. Narrate , in brief , the different strategies of financing current assets.

Note: Use the mail id: com403a@gmail.com to send your answer scripts.