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Reg. No.....

Name.....

**FIVE YEAR B.B.A., LL.B. (HONOURS) DEGREE
EXAMINATION, FEBRUARY 2026**

Fifth Semester

FB 13—FINANCIAL MANAGEMENT

(2023 Admissions—Regular/2018 to 2022 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. What is meant by business finance ?
2. Define working capital and state its importance in business.
3. What do you mean by cash management ?
4. Explain the advantages of financial statement analysis.
5. What is Turnover ratios ? Give two examples.
6. What are the objectives of Fund Flow Statement ?

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. Briefly explain the functions of modern financial management.
8. Define capital structure and state its importance.

Turn over

BNSI-UM

9. The Balance Sheets of X Ltd. and Y Ltd. as on 31st March 2024 are state as follows.

Particulars	X Ltd (Rs.)	Y Ltd. (Rs.)
Assets :		
Cash	75,000	95,000
Sundry debtors	70,000	77,000
Stock	79,000	85,000
Outstanding income	26,000	23,000
Prepaid expenses	20,000	10,000
Fixed assets	10,20,000	12,10,000
Total Assets	12,90,000	15,00,000
Liabilities :		
Sundry creditors	45,000	32,000
Bills payable	25,000	13,000
Long term loan	4,00,000	5,55,000
Capital	8,20,000	9,00,000
Total Liabilities	12,90,000	15,00,000

Prepare a Common-size Balance Sheet.

10. Following are the Balance Sheet of Rana and Sons :

Liabilities	2023	2024	Assets	2023	2024
	Rs.	Rs.		Rs.	Rs.
Creditors	36,000	41,000	Cash	4,000	3,600
Loan from partner	—	20,000	Debtors	35,000	38,400
Loan from bank	30,000	25,000	Stock	25,000	22,000
Capital	1,48,000	1,49,000	Land	20,000	30,000
			Building	50,000	55,000
			Machinery	80,000	86,000
	2,14,000	2,35,000		2,14,000	2,35,000

During the year Rs. 26,000 paid as dividends. The provision for depreciation against machinery on 2023 was Rs. 27,000 and on 2024 Rs. 36,000.

Prepare a Cash Flow Statement.

(3 × 10 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

11. Define Fund Flow Statement. How does it differ from a cash flow statement ?
12. The Balance Sheets of Moon Ltd. for the year ended 31st December 2023 and 2024 are as follows :

Liabilities	2023	2024	Assets	2023	2024
	Rs.	Rs.		Rs.	Rs.
Share capital	88,000	1,32,000	Freehold		
General reserve	6,000	9,000	premises	55,400	1,13,200
Profit and Loss a/c	19,500	20,800	Plant and Mach.	35,600	51,300
5 % debentures	—	26,000	Furniture	2,400	1,500
Income tax provision	9,800	10,900	Stock	22,100	26,000
Creditors	33,500	36,400	Debtors	36,500	39,100
			Bank	4,800	4,000
	<u>1,56,800</u>	<u>2,35,100</u>		<u>1,56,800</u>	<u>2,35,100</u>

Depreciation written off during the year 2024 was as under :

Plant and Machinery—Rs. 12,800

Furniture—Rs. 400

Prepare a statement of Sources and Applications of Funds.

Turn over

13. (a) A business furnishes you the following details :

		Rs.
Opening Stock	...	50,000
Closing Stock	...	70,000
Sales :		
Cash	...	1,50,000
Credit	...	2,10,000
Gross profit	...	60,000
Closing debtors	...	20,000
Bills Receivable (closing)	...	15,000
Note : (a year = 360 days)		

Calculate :

(a) Stock Turnover Ratio ; and

(b) Debtors Turnover Ratio.

(b) Calculate :

(i) Debt to Equity ratio ;

(ii) Proprietary ratio ; and

(iii) Capital Gearing ratio from the following.

Total equity excluding preference share capital Rs. 10,00,000 Preference share capital Rs. 2,00,000
 Debentures Rs. 8,00,000 Long term loan Rs. 4,00,000 Creditors Rs. 30,000 Debtors Rs. 40,000

(2 × 15 = 30 marks)