

2021

FINANCIAL MANAGEMENT — GENERAL

Ninth Paper

(A-33-G)

Full Marks : 100

Candidates are required to give their answers in their own words
as far as practicable.

প্রাপ্তলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ-ক

২×১০

১। (ক) আর্থিক ব্যবস্থাপনার সংজ্ঞা দাও।

অথবা,

অর্থ ব্যবস্থাপকের দুইটি ক্রিয়া উল্লেখ করো।

(খ) বার্ষিক বৃত্তাকার মূল্য কী?

অথবা,

একটি ফার্মের মূল্য চরমে তোলার উদ্দেশ্য কী? ব্যাখ্যা করো।

(গ) ডিবেঞ্চারের সংজ্ঞা দাও।

(ঘ) মূলধন-এর গড় খরচ কী?

(ঙ) আর্থিক লিভারেজের সংজ্ঞা দাও।

(চ) মূলধন গঠন-এর সংজ্ঞা দাও।

(ছ) কার্যকরি মূলধন লিভারেজ কী?

(জ) প্রান্তিক নগদ অন্তঃপ্রবাহ কী?

(ঝ) ক্যাপিটাল বাজেটের সিদ্ধান্তের দুটি কারণ দাও।

(ঞ) আর্থিক নিয়ন্ত্রণ-এর সংজ্ঞা দাও।

বিভাগ-খ

৬×৫

২। আর্থিক নিয়ন্ত্রণের সুবিধাসমূহ সম্পর্কে আলোচনা করো।

৩। Calculate the present value of a 6 year annuity of Rs. 50,000 at a discount rate of 8%.

অথবা,

যথাযথ উদাহরণ দিয়ে 'PVIFA_{i,n}' চিহ্নটি ব্যাখ্যা করো।

Please Turn Over

৪। XYZ Ltd. is earning a net profit of Rs. 4,00,000 p.a. The shareholders' required rate of return is 12%. The shareholders of the company are assumed to be in 30% personal tax bracket. It is expected that the shareholders will have to incur 2% as brokerage on the after-tax dividends received by them. Assuming that the entire earnings are distributed to the shareholders, calculate the cost of retained earnings of the company.

৫। Jet Ltd. has a cost of debt and overall cost of capital of 8% and 12% respectively. The ratio of market value of debt (D) to market value of equity (S) is 0.6. Find out the required rate of return of the equity investors, K_e , given that there is no tax.

৬। অপারেটিং লিভারেজ-এর অসুবিধা লেখো।

অথবা,

গর্ডন-এর ডিভিডেন্ড পলিসি মডেল সম্পর্কে সংক্ষিপ্তভাবে আলোচনা করো।

বিভাগ-গ

১০×৫

৭। The average period of credit allowed by a company to its customers last year was one month and the average amount of debtors was Rs. 10 lakhs. To increase sales and profitability, the company doubled the period of credit during the current period. As a result, the average amount of debtors increased to Rs. 5 lakhs. If the company has a contribution to sales ratio of 40%, what additional contribution has been earned by the company during the year?

৮। The XYZ Company Ltd. has under consideration the following capital budgeting proposal for which relevant figures are as follows:

	<u>Rs.</u>
Cost of the machine	15,00,000
Cost of installation	80,000
Economic life of machine	6 years
Scrap value	50,000
Profit before description and tax	3,00,000
Tax Rate	35%

Calculate: (i) initial cash outlay, (ii) annual cash inflow up to 5th year, (iii) terminal cash inflow in 6th year, (iv) annual cash inflow in 6th year.

৯। The following information is available in respect of a firm:

Capitalisation rate is 0.10 and Earnings per share are Rs. 10.

Assumed rate of return on investment: (i) 15%, (ii) 10% and (iii) 8%.

Show the effect of dividend policy on the market price of shares using Walter's model. Assume dividend payout ratio: 0%, 25%, 50%, 75% and 100%.

১০। আর্থিক নিয়ন্ত্রণ পদ্ধতির ধাপগুলি বর্ণনা করো।

১১। From the following information, calculate (i) different types of leverage and (ii) determine the likely level of EBIT if EPS is Rs. 5.

	Rs.
10000 Equity share capital @ Rs. 10 each	1,00,000
10% Debentures	2,00,000
Retained earnings	80,000
Fixed assets	4,00,000
Current liabilities	1,00,000
Current assets	80,000

Company's total assets turnover is 3, its fixed operating costs are Rs. 2,50,000. The contribution is 60% and the income tax rate is 35%.

[English Version]

The figures in the margin indicate full marks.

Group-A

2×10

1. (a) Define Financial Management.

Or,

Mention two functions of finance manager.

(b) What is compounded value of annuity?

Or,

What is Value maximization objective of a firm? — Explain.

(c) Define debenture.

(d) What is weighted average cost of capital?

(e) Define Financial Leverage.

(f) Define Capital Structure.

(g) What is working capital leverage?

(h) What is Terminal Cash Inflow?

(i) Give two reasons of Capital Budgeting Decision.

(j) Define financial control.

Please Turn Over

Group-B

6×5

2. Discuss the advantages of financial control.
3. Calculate the present value of a 6 year annuity of Rs. 50,000 at a discount rate of 8%.

Or,

Explain the notation 'PVIFA_{i,n}' with appropriate example.

4. XYZ Ltd. is earning a net profit of Rs. 4,00,000 p.a. The shareholders' required rate of return is 12%. The shareholders of the company are assumed to be in 30% personal tax bracket. It is expected that the shareholders will have to incur 2% as brokerage on the after-tax dividends received by them. Assuming that the entire earnings are distributed to the shareholders, calculate the cost of retained earnings of the company.
5. Jet Ltd. has a cost of debt and overall cost of capital of 8% and 12% respectively. The ratio of market value of debt (D) to market value of equity (S) is 0.6. Find out the required rate of return of the equity investors, K_e , given that there is no tax.
6. Write the disadvantages of operating leverage.

Or,

Briefly discuss the Gordon's Dividend Policy model.

Group-C

10×5

7. The average period of credit allowed by a company to its customers last year was one month and the average amount of debtors was Rs. 10 lakhs. To increase sales and profitability, the company doubled the period of credit during the current period. As a result, the average amount of debtors increased to Rs. 5 lakhs. If the company has a contribution to sales ratio of 40%, what additional contribution has been earned by the company during the year?
8. The XYZ Company Ltd. has under consideration the following capital budgeting proposal for which relevant figures are as follows:

	<u>Rs.</u>
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Economic life of machine	6 years
Scrap value	50,000
Profit before description and tax	3,00,000
Tax Rate	35%

Calculate: (i) initial cash outlay, (ii) annual cash inflow up to 5th year, (iii) terminal cash inflow in 6th year, (iv) annual cash inflow in 6th year.

9. The following information is available in respect of a firm:
 Capitalisation rate is 0.10 and Earnings per share are Rs. 10.
 Assumed rate of return on investment: (i) 15%, (ii) 10% and (iii) 8%.
 Show the effect of dividend policy on the market price of shares using Walter's model. Assume dividend payout ratio: 0%, 25%, 50%, 75% and 100%.
10. Describe the steps of financial control system.
11. From the following information, calculate (i) different types of leverage and (ii) determine the likely level of EBIT if EPS is Rs. 5.

	Rs.
10000 Equity share capital @ Rs. 10 each	1,00,000
10% Debentures	2,00,000
Retained earnings	80,000
Fixed assets	4,00,000
Current liabilities	1,00,000
Current assets	80,000

Company's total assets turnover is 3, its fixed operating costs are Rs. 2,50,000. The contribution is 60% and the income tax rate is 35%.
