



ASSIGNMENT

DRIVE	SPRING 2014
PROGRAM	BBA
SEMESTER	V
SUBJECT CODE & NAME	BBA 502 FINANCIAL MANAGEMENT
BK ID	B1850
CREDIT	4
MARKS	60

Note: Answer all questions. Kindly note that answers for 10 marks questions should be approximately of 400 words. Each question is followed by evaluation scheme.

Q.No	Question	Marks	Total Marks
1	Assume you are promoted to Finance Manager of a company. Describe the three important components of the master budget in detail with an example		
	Explain Master budget and the three components Example	7 3	10
2	Explain the concept of time value of money. Suppose Narsimham pays Rs 10,000 at the end of each year for 5 years into a public provident fund. The interest rate being 12% per year. What is the present value of the series of Rs 10,000 paid each year for 5 years?		
	Explain Time value of money Calculate present value of an annuity	4 6	10
3	Assume that project 'X' costs Rs 2,500 now and is expected to generate year end cash inflows of Rs 900, Rs 800, Rs 700, Rs 600 and Rs 500 in years 1 to 5. The opportunity cost of the capital is 10%. Calculate the Net present value. Discuss capital rationing.		
	Calculate Net Present Value Explain capital rationing	4 6	10
4	Discuss the financing arrangements for the Metro project in Delhi. Critically evaluate the arrangements in terms of costs and risks.		
	Explain financing arrangements for Metro Project in		10

	Delhi Explain infrastructure project financing costs and risks	5 5	
5	Assume that you are the financial manager of a Pvt Ltd company. What would be your decision on dividend if you are planning to expand the business? Explain the constraints that a company faces on paying dividends.		
	a. Dividend decision while expanding the business. b. Explain the constraints	5 5	10
6	Calculate the EOQ, if the total requirement is 1200 units, ordering cost per order is Rs 37.50 and carrying cost per unit is Rs 1. Explain various inventory management techniques.		
	a. Calculate EOQ b. Explain various inventory management techniques.	5 5	10