

M.Com 2nd Semester Examination 2021
Paper-Com 2046
Subject: Advanced Financial Management

Time-3 Hours

Full Marks -80

Q.1. Answer **any eight** of the following questions in about 50 - 75 words each:

5X8=40

- a) How is time value of money determined?
- b) Mention the risks associated with financial decision making?
- c) How is combined leverage different from operating leverage?
- d) What is cost of retained earning?
- e) How is weighted average cost calculated?
- f) Define systematic risk under capital asset pricing model.
- g) What is the significance of dividend payout ratio?
- h) How is capital structure different from financial structure?
- i) How is the information of gross working capital important for financial decision?
- j) Write the significance of Payback period method for appraisal of Capital investment proposal
- k) Why is corporate restructuring required?

Q. 2. Answer **any four** of the following questions in about 100 -150 words each:

10X4=40

- a) Write a critical note on wealth maximization as a goal of financial management.
- b) Elucidate the trial and error method of determining cost of redeemable debt.
- c) What is the significance of Net Income Approach of Capital Structure Theory? State the limitations of this theory. (6+4)
- d) Describe the process of Capital Investment Appraisal.
- e) What are the determinants of Dividend Policy?-Elaborate
- f) “Working capital is known as revolving or circulating capital”-Elucidate the statement.
- g) Explain the types of mergers and mention the limitations of mergers. (6+4)
