

SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)
MBA I Year II Semester Regular Examinations May-2026
FINANCIAL MANAGEMENT

Time: 3 Hours**Max. Marks: 60**

(Answer all Five Units 5 x 12 = 60 Marks)

UNIT-I

- 1 Define financial management. Explain the various important functions of financial management. CO1 L2 12M

OR

- 2 Discuss "Profit maximization vs Wealth maximization" CO1 L2 12M

UNIT-II

- 3 Briefly discuss the techniques of capital budgeting with their merits and limitations. CO2 L2 12M

OR

- 4 There are two projects X and Y, X requires an investment of Rs.26,000 while Y requires an investment of Rs. 38000. The cost of capital is 12%. on the basis of the following cash inflows required to state that which project should be accepted. CO2 L5 12M

Year	Cash inflows	
	Project X(Rs)	Project X(Rs)
1	9000	8000
2	7000	10000
3	6000	12000
4	5000	14000
5	4000	8000
6	3000	2000
7	4000	4000
8	3000	3000

Calculate NPV suggest which project should be accepted.

UNIT-III

- 5 a Explain the significance of cost of capital in financial management. CO3 L2 7M
b What do you mean by CAPM approach? CO3 L2 5M

OR

- 6 Write short notes on: (i) Commercial Paper (ii) venture capital (iii) lease financing (iv) term financing and (v) mutual funds. CO3 L3 12M

UNIT-IV

- 7 Discuss the relationship between profitability and liquidity in Working Capital Management. CO4 L3 12M

OR

- 8 What is Inventory Management? Discuss the objectives and techniques of inventory control. CO4 L3 12M

UNIT-V

- 9 Define Mergers and Acquisitions. Explain the various types of mergers with examples. CO5 L2 12M

OR

- 10 Examine the role of Corporate Governance in protecting stakeholders' interests. CO5 L2 12M

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