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2014

(December)

COMMERCE

Paper : 201

(Financial Management)

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. (a) "Without adequate finance no business can survive and without efficient financial management, no business can prosper and grow."
Comment on the statement and outline the role of financial management. 8+8=16

Or

- (b) Who discharges the finance function ? What are his/her specific responsibilities ? 16

2. (a) Critically examine the 'Comparative Statement' and 'Common-size Statement' as the tools of financial analysis. $8+8=16$

Or

- (b) Write brief note on : $4 \times 4 = 16$
- (i) Working capital turnover ratio
 - (ii) Stock Turnover ratio
 - (iii) Debt-Equity ratio
 - (iv) Fixed Assets Turnover ratio

3. (a) Examine the relative suitability of preference shares and equity shares as a source of long-term finance of companies. $8+8=16$

Or

- (b) Define 'Term Loan'. Discuss its financial objectives. Explain the distinctive features of Term Loan. $2+5+9=16$

4. (a) Make a comparison between Trade Credit and Bank Credit as sources of short-term financing. 16

Or

(b) Describe the advantages and disadvantages of unsecured borrowing as a source of short-term finance. $8+8=16$

5. (a) Write explanatory note on : $6+5+5=16$

(i) Options

(ii) Futures

(iii) Swap

Or

(b) Discuss about the emerging derivatives market structure in India. 16