

2018

(December)

(Held in January 2019)

COMMERCE

Paper : 201

(Financial Management)

Full Marks : 80

Time : Three hours

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

1. (a) Explain the interrelationship between shareholder value as the core concept with functions of financial management, business and macroeconomic environment. 16

Or

- (b) What is the Traditional concept of Finance? Explain its transition to the new approach. 4+12

2. (a) What are common-size statements and what purpose do they serve? Assuming your own figures in respect of the balance sheets of two companies — Big company and Small company, explain how common size statements facilitate inter-firm comparison. 16

Or

- (b) Explain the DuPont System of Financial Analysis. 16

3. (a) Evaluate the following as sources of capital employed : 6+5+5=16

- (a) Equity shares
- (b) Preference Shares
- (c) Debentures.

Or

- (b) What is a Convertible debenture? State the pros and cons of financing by convertible debentures in India.

5+8+3=16

4. (a) 'The cost of trade credit is the discounts that are foregone' — Explain. 16

Or

(b) What is Commercial paper? What conditions are required to be satisfied for its issue? State in brief the procedure for issue of Commercial papers in India. $4+6+6=16$

5. (a) Give an overview of the emerging derivatives market structure in India.
16

Or

(b) Give an overview of Global Derivatives market.
16
