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K. J. Somaiya Institute of Technology, Sion, Mumbai-22
(Autonomous College Affiliated to University of Mumbai)

July - August
~~May-June 2024~~

(B. Tech) Program: All Scheme II
Regular: Supplementary Examination: LY Semester: VIII
Course Code: ILC8042 and Course Name: Finance Management Date of Exam: 01/8/24
Duration: 02.5 Hours Max. Marks: 60

Instructions:

- (1) All questions are compulsory.
- (2) Draw neat diagrams wherever applicable.
- (3) Assume suitable data, if necessary.

		Max. Marks	CO	BT level
Q 1	Solve any six questions out of eight:	12		
i)	Explain the role of RBI in Indian financial system.		1	BT1
ii)	Explain the concept of risk.		2	BT1
iii)	Explain debt equity ratio.		5	BT1
iv)	What are the merits of payback period?		4	BT1
v)	Explain sinking fund		3	BT1
vi)	Explain importance of working capital management.		6	BT1
vii)	Explain gross working capital.		5	BT1
viii)	Explain liquidity ratio.		6	BT1
Q.2	Solve any four questions out of six.	16		
i)	Explain difference between money market and capital market.		1	BT1
ii)	If returns are volatile then explain the average rate of returns for 10 years with example.		2	BT1
iii)	Calculate the future value of Rs. 1000 invested for a period of 5 years at a rate of interest of 10% p.a.		3	BT2
iv)	Explain features of equity shares.		4	BT1
v)	Explain ABC method of Inventory control.		5	BT1
vi)	Explain profitability ratio.		6	BT1
Q.3	Solve any two questions out of three.	16		BT1
i)	What is the role of financial institutions in the economy? Justify their role in economic growth.		1	BT1

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ii)	Explain types of dividend policy and factor affecting dividend decision.		4	BT1
iii)	Explain the factor affecting working capital needs.		6	BT1
Q.4	Solve any two questions out of three.	16		BT1
i)	What are the different types of financial statements explain their purpose.		5	BT1
ii)	Explain the concept of diversification in investing and how diversifications reduce risk.		2	BT1
iii)	Ram will retire in 20 years. This year he wants to fund an amount of Rs. 15,000 to become available in 20 years. How much does he have to deposit into a pension plan earning 7% annually?		3	BT2
