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

May-June 2025	
M. Tech. Program: Artificial Intelligence Scheme II	
Regular Examination: Semester: II	
Course Code: PCEILC2052	Course Name: **Finance Management**
Date of Exam: 11-6-25	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.

Q. No.	Question	Max. Marks	CO	BT level
Q 1	**Solve any two questions out of three: (05 marks each)**	10	CO1	U
a)	What are the functions of Commercial Banks in the Indian Financial System?		CO2	U
b)	Define historical return and expected return. How are they measured for a single security?		CO3	U
c)	State the objectives of Corporate Finance.			
Q 2	Solve any **two** questions out of three: (05 marks each)	10	CO4	U
a)	Explain the concept of Net Present Value (NPV) with a simple example.		CO5	U
b)	What is the difference between long-term and short-term sources of finance? Give one example of each.		CO6	U
c)	State any three factors affecting a firm's dividend decision.			
Q.3	**Solve any two questions out of three. (10 marks each)**	20	CO3	U
a)	Explain the Balance Sheet, Profit and Loss Account, and Cash Flow Statement with their importance in Financial Ratio Analysis.		CO4	U
b)	Calculate the NPV and Profitability Index for a project having an initial investment of ₹1,00,000 and cash inflows of ₹30,000 per year for 5 years. Assume the discount rate is 10%.		CO2	U
c)	Write short notes on Continuous Compounding and Continuous Discounting.			
Q.4	**Solve any two questions out of three. (10 marks each)**	20		

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a)	Discuss different Investment Appraisal Criteria — Accounting Rate of Return, Payback Period, Net Present Value (NPV), and Internal Rate of Return (IRR),with real time example		CO4	U
b)	What are the different types of Financial Ratios? Explain the purpose of Liquidity, Profitability, and Efficiency Ratios.		CO3	U
c)	Explain the concept, importance, and factors affecting Working Capital Management in detail with real time examples .		CO4	U

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