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

May-June 2026
Program: B. Tech Scheme II-B
Regular Examination: LY Semester: VIII
Course Code:ILC8042 Course Name:Finance Management

Date of Exam: 26/5/26 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		
a)	Explain the various roles performed by commercial banks within the Indian financial system.		CO1	U
b)	What is meant by historical return and expected return? Describe the method of calculating each for an individual security.		CO2	U
c)	What are the main goals of corporate finance?		CO3	U
Q 2	**Solve any two questions out of three: (05 marks each)**	10		
a)	Describe the concept of Net Present Value (NPV) with the help of a simple illustration.		CO4	U
b)	Differentiate between short-term and long-term financing sources, providing one example of each.		CO5	U
c)	Mention any three factors that influence a company's dividend policy.		CO6	U
Q.3	**Solve any two questions out of three. (10 marks each)**	20		
a)	Explain the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement, and discuss their significance in financial ratio analysis.		CO3	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%.		CO4	U
c)	Write brief notes explaining the concepts of continuous compounding and continuous discounting.		CO2	U
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 categories of financial ratios? Explain the objectives of liquidity, profitability, and efficiency ratios.		CO3	U
c)	Explain the meaning, significance, and determinants of working capital management with real-life examples.		CO4	U

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