SE – 165

III Semester B.Com. Examination, January/February 2026
(SEP 2024 – 25)
COMMERCE
Com – 3.2 : Financial Management

Time : 3 Hours   Max. Marks : 80

Instruction : *Answers should be written **completely** either in **English** or in **Kannada**.*

SECTION – A

1. Answer **any seven** sub-questions. **Each** sub-question carries **two** marks.

(7×2=14)

a) Give the meaning of finance.

b) What is profit maximisation ?

c) What is Rule of 69 and Rule of 72 ?

d) Calculate the future value of ₹ 20,000 invested now for a period of 5 years at a time preference rate of 8% p.a.

e) Give the meaning of earnings per share.

f) If sales is ₹ 6,00,000, contribution ₹ 2,00,000; Calculate variable cost.

g) A project costs ₹ 1,00,000 and yields an annual cash inflow of ₹ 20,000 for 8 years. Calculate its payback period.

h) What is profitability index ?

i) What is dividend policy ?

j) What is Walter's model of the dividend policy ?

P.T.O.

SECTION – B

Answer **any three** questions. **Each** question carries **eight** marks. **(3×8=24)**

2. Explain the objectives of financial management.

3. Explain different types of dividends.

4. Calculate the future value at the end of 3 years for the following series of payments at 12% p.a. rate of interest.

Year	1	2	3
Payment made at the beginning of the year	1,000	2,000	3,000

5. From the following information, calculate operating, financial and combined leverages.

Sales	₹ 8,00,000
Variable cost	25% on sales
Fixed cost	₹ 1,50,000
Tax rate	50%
15% Debentures	₹ 1,00,000

6. A project requires an investment of ₹ 5,00,000 and has a scrap value of ₹ 20,000 after five years. It is expected to Yield Profits After Taxes (PAT) during the five years are as follows :

Year	₹
1	40,000
2	60,000
3	70,000
4	50,000
5	20,000

Calculate ARR.

SECTION – C

Answer **any three** questions. **Each** question carries **14** marks. **(3×14=42)**

7. Explain the principles of sound financial planning.

8. Explain the determinants of a dividend policy.

9. Satya Co. Ltd. has equity share capital of ₹ 5,00,000 divided into shares of ₹ 100 each. It wishes to raise further ₹ 3,00,000 for modernisation of plans. The company plans the following financing.

   i) All equity shares.

   ii) ₹ 1,00,000 in equity shares and ₹ 2,00,000 in debt at 10% p.a.

   iii) All debt at 10% p.a.

   iv) ₹ 1,00,000 in equity shares and ₹ 2,00,000 preference share capital with rate of dividend at 8%.

   The company has estimated EBIT at ₹ 1,50,000. The corporate tax is 50%.

   Calculate EPS in each case.

10. Mangala Co. Ltd., is planning to purchase a machine. Two alternative machines are selected for evaluation, each costing ₹ 3,00,000. The cash inflows are expected as below at 10% discount factor.

Year	**Machine X**	**Machine Y**	**Discount factor at 10%**
1	20,000	40,000	0.909
2	65,000	1,10,000	0.826
3	90,000	1,20,000	0.751
4	1,50,000	1,40,000	0.683
5	1,75,000	2,00,000	0.621

Calculate NPV and profitability index.

11. Jagannath Co. Ltd., is planning to invest ₹ 2,00,000 on machinery. The estimated cash inflows are given under.

Year	Annual cash inflow	P.v. factor at 10%	P.v. factor at 15%
1	90,000	0.909	0.870
2	80,000	0.826	0.756
3	60,000	0.751	0.658
4	20,000	0.683	0.572
5	16,000	0.621	0.497

Calculate NPV and IRR.

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ – ಎ

1. ಯಾವುದಾದರೂ ಏಳು ಉಪ-ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಉಪ-ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು. **(7×2=14)**
   a) ಹಣಕಾಸಿನ ಅರ್ಥವನ್ನು ನೀಡಿ.
   b) ಲಾಭ ಗರಿಷ್ಠಗೊಳಿಸುವಿಕೆ ಎಂದರೇನು ?
   c) 69 ರ ನಿಯಮ ಮತ್ತು 72 ರ ನಿಯಮ ಎಂದರೇನು ?
   d) ₹ 20,000 ಗಳನ್ನು 5 ವರ್ಷಗಳ ಅವಧಿಗೆ ವಾರ್ಷಿಕ 8% ಕಾಲಾವಧಿಯ ದರದಲ್ಲಿ ಹೂಡಿಕೆ ಮಾಡಿದರೆ, ಅದರ ಭವಿಷ್ಯದ ಮೌಲ್ಯದ ಲೆಕ್ಕಾಚಾರ ಮಾಡಿ.
   e) ಪ್ರತಿ ಷೇರಿಗೆ ಗಳಿಕೆಯ ಅರ್ಥವನ್ನು ನೀಡಿ.
   f) ಮಾರಾಟದ ಮೊತ್ತ ₹ 6,00,000, ಕೊಡುಗೆ ₹ 2,00,000; ಬದಲಾವಣೆಯ ವೆಚ್ಚವನ್ನು ಲೆಕ್ಕಾಚಾರ ಮಾಡಿ.
   g) ಒಂದು ಯೋಜನೆಯ ವೆಚ್ಚ ₹ 1,00,000 ಮತ್ತು 8 ವರ್ಷಗಳ ಕಾಲ ವಾರ್ಷಿಕ ₹ 20,000 ನಗದು ಒಳಹರಿವನ್ನು ನೀಡುತ್ತದೆ. ಅದರ ಮರುಪಾವತಿ ಅವಧಿಯನ್ನು ಲೆಕ್ಕಾಚಾರ ಮಾಡಿ.
   h) ಲಾಭದಾಯಕ ಸೂಚ್ಯಂಕ ಎಂದರೇನು ?
   i) ಲಾಭಾಂಶ ನೀತಿ ಎಂದರೇನು ?
   j) ವಾಲ್ಟರ್‌ರವರ ಲಾಭಾಂಶ ನೀತಿಯ ಮಾದರಿ ಎಂದರೇನು ?