

**Bharati Vidyapeeth**  
**(Deemed to be University), Pune**  
**School of Distance Education**

Assignment No.	1	Name of the Assignment Setter:	Prof. Manisha Shinde		
Course:	BBA CBCS 2018	Class:	BBA	Semester:	III

Subject:	Introduction to Financial Management
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**Q.1) Attempt ANY ONE of the Following (1000 Words) (10)**

- a) What is Financial Management? What are objectives of financial management?
- b) Explain Source of Financing Working Capital?

**Q.2) Attempt ANY TWO of the Following (800 Words) (12)**

Beta Co. Ltd is considering purchase of new machine. Two alternative machine P and Q are available in the market. The cost of each machine is Rs. 80,00,000. The expected cash flows are as follows:

Year	Machine P (Amount in Rs.)	Machine Q (Amount in Rs.)
Year 1	22,00,000	24,00,000
Year 2	24,00,000	32,00,000
Year 3	32,00,000	40,00,000
Year 4	48,00,000	34,00,000
Year 5	32,00,000	16,00,000

- a) The Company has target rate on capital of 10%. You are required to compute Net Present Value, payback and Profitability Index for both machines and state which machine would be preferable?

- b) Explain different factors to be considered while framing capital structure?

Consider the following information for Kaunark Enterprise:

Rs in Lakh	
EBIT	1,120
c) PBT	320
Fixed Cost	700

Calculate percentage change in earnings per share if sales increased by 5%.

- d) What is dividend policy? Explain different factors affecting dividend decision?

**Q.3) Write Short Notes on (ANY TWO) (08)**

- a) Organization of Finance Function

- b)** Debentures
- c)** Preference Shares
- d)** Leverage and its types

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