

**DR MPS MEMORIAL COLLEGE OF BUSINESS STUDIES AGRA**

SUBJECT : FINANCIAL MANAGEMENT(401)

CLASS: BBA IVSem

QUESTION BANK

BY: ASST.PROF.NEHA KHANDELWAL

Q1. What do you understand by financial management? Describe the Nature, Scope, Process, Objectives and Functions of Financial Management.

Q2. Define Cost of Capital? Explain the significance of Cost of Capital.

Q3. Distinguish between traditional and modern approach of finance function.

Q4. Explain the different methods of cost of capital.

Q5. What do you mean by capital structure? Discuss the determinants of Capital Structure.

Q6. Define capitalisation and explain its theories.

Q7. What is the difference between financial and operating leverage? Give the characteristics of financial leverage and operating leverage.

Q8. What do you understand by under-capitalisation? Discuss the causes of under-capitalisation?

Q9. What do you understand by over-capitalization? Discuss the causes of over-capitalization?

Q10. What do you understand by Capital Budgeting? Describe the procedure, nature, importance and types of Capital Budgeting?

Q11. What is the meaning of dividend policy. How we determine the Dividend Policy.

Q12. Explain theories of dividend? Discuss about the Walter's model of dividend?

Q13. What is the meaning of inventory management? Define the objectives of inventory management.

Q14. Explain briefly the factors which are to be considered while planning the working capital requirement of the firm?

Q15. What do you mean by management of working capital? Explain its importance in financial function.