

2025

FINANCIAL MANAGEMENT — GENERAL

Paper : DSE-6.2AG

Full Marks : 80

*Candidates are required to give their answers in their own words
as far as practicable.*

প্রান্তলিখিত সংখ্যাগুলি পূর্ণমান নির্দেশক।

বিভাগ - ক

- ১। “কারবারের দীর্ঘমেয়াদি উদ্দেশ্য হওয়া উচিত সম্পদ সর্বাধিকীকরণ।” — ব্যাখ্যা করো। ৫

অথবা,

একটি কোম্পানিতে একজন মুখ্য আর্থিক আধিকারিককে কী কী কার্যাবলি সম্পাদন করতে হয়? সংক্ষেপে আলোচনা করো। ৫

- ২। Mr. R expects to receive ₹ 2,00,000, ₹ 3,00,000 and ₹ 4,00,000 at the end of year 2, 3 and 4 respectively. What would be the present value of cash flows if the rate of discount is 12% p.a.? ৫

- ৩। Goldmine Ltd. is considering an investment proposal of ₹ 6,00,000 having a life of 4 years. The Earnings before Depreciation and Tax (EBDT) at the end of year 1, 2, 3 and 4 are expected as ₹ 1,60,000, ₹ 1,80,000, ₹ 2,00,000 and ₹ 2,30,000 respectively. The company charges depreciation under Straight Line Method. The estimated salvage value of the project is Nil. The company's target Pay Back Period (PBP) is 3 years. Should the project be accepted by the company? Assume tax rate @ 40%. ৫

অথবা,

A company wants to bring change in its production line for which capital expenditure estimated at ₹ 3,00,000. The estimated returns, before charging depreciation are ₹ 45,000, ₹ 80,000, ₹ 75,000 and ₹ 70,000. Depreciation under Straight Line Method will be charged for the project having a salvage value of ₹ 60,000.

Assuming that no tax is to be paid. Calculate the Accounting Rate of Return (ARR) for the Capital Expenditure. ৫

- ৪। মূলধনী ব্যয় সিদ্ধান্তে লগ্নি ফেরত সময়কাল পদ্ধতিটির সুবিধা ও অসুবিধা লেখো। ৫

Please Turn Over

(2398)

বিভাগ - খ

৫। The following information are available for BBS Ltd.:

	(₹)
Equity Share Capital (₹ 10 each)	6,00,000
10% Preference Share Capital	4,00,000
14% Debentures	3,00,000
16% Term loan	4,00,000

The current market price of each equity share is ₹ 15 and the company is expected to declare equity dividend ₹ 1.2 per share. The anticipated growth rate is 8% per annum. Tax rate is 40%. Compute weighted average cost of capital considering market value as weight. ১০

অথবা,

অর্থ সংস্থানের উৎস হিসাবে (ক) মেয়াদি ঋণ এবং (খ) অব্যক্তি আয় নিয়ে আলোচনা করো। ৫+৫

৬। (ক) একটি উত্তম মূলধন কাঠামোর বৈশিষ্ট্যগুলি কী কী?

(খ) নিরপেক্ষ বিন্দু বলতে কী বোঝো?

৭+৩

অথবা,

A company has provided the following information :

Degree of Total Leverage = 4, Degree of Operating Leverage = 1.6.

Interest = ₹ 3,00,000, Operating Fixed Cost = ₹ 3,00,000, Tax Rate = 50%.

Variable Cost = 1.5 times of Contribution.

Calculate Sales, Contribution and Profit After Tax. ১০

৭। From the following information of Skywalk Ltd., determine the working capital requirement :

(a) Expected monthly sales = 6,000 units

(b) Elements of cost per unit :

	(₹)
Raw materials	6
Wages	4
Overhead	3

(c) Expected profit per unit = ₹ 2

(d) Raw materials remain in store for 1 month

(e) Processing time 2 months

- (f) Finished goods are in store for 3 months
 (g) Credit allowed to debtors 4 months
 (h) Credit allowed by creditors 2 months
 (i) Lag in payment of wages 1 month
 (j) Overhead is paid twice in a month on 1st and 16th
 (k) Expected cash balance is 10% of gross working capital
 (l) Production is carried on evenly during the year and wages and expenses accrue in the same way.

১০

৮। একটি কারবারি প্রতিষ্ঠানের চলতি সম্পত্তির অর্থ সংস্থানের কৌশলগুলি আলোচনা করো।

১০

- ৯। A company is considering a project which needs an initial investment of ₹ 8,00,000 on plant. It also requires working capital of ₹ 80,000 which shall be recovered in full at the end of the project life. The expected life of the project is 6 years. At the end of the project, salvage value of ₹ 40,000 shall be realised. The expected annual cash inflows from the project are :

Year	1	2	3	4	5	6
Cash Inflows (₹)	Nil	1,00,000	3,50,000	5,00,000	5,00,000	4,50,000

Considering cost of capital @ 20%, evaluate the project by (i) Net Present Value Method and (ii) Profitability Index Method.

Given that,

Year	1	2	3	4	5	6
P.V. factor @ 20%	0.833	0.694	0.579	0.482	0.402	0.335

৮+২

অথবা,

(ক) বাটাকৃত লগ্নি ফেরতকাল পদ্ধতিটির উপর টীকা লেখো।

(খ) অভ্যন্তরীণ প্রতিদানের হার পদ্ধতিটির গ্রহণ-বর্জন নিয়মটি লেখো।

৬+৪

- ১০। Followings are the details regarding three companies :

	P Ltd.	Q Ltd.	R Ltd.
Earnings Per Share	₹ 10	₹ 10	₹ 10
Internal Rate of Return	15%	12%	10%
Cost of Capital	12%	12%	12%

Please Turn Over

Compute the market price per share of each of the above companies by applying Walter's Model under the following dividend decision :

- (a) Dividend Payout Ratio = 0%
- (b) Dividend Payout Ratio = 50%
- (c) Dividend Payout Ratio = 100%

Identify the optimum dividend payout ratio for the above three companies.

50

[English Version]

The figures in the margin indicate full marks.

Group - A

1. "The long-term objective of the business should be wealth maximisation." — Explain. 5

Or,

What are the functions performed by a chief financial officer in a company? Discuss in brief. 5

2. Mr. R expects to receive ₹ 2,00,000, ₹ 3,00,000 and ₹ 4,00,000 at the end of year 2, 3 and 4 respectively. What would be the present value of cash flows if the rate of discount is 12% p.a.? 5
3. Goldmine Ltd. is considering an investment proposal of ₹ 6,00,000 having a life of 4 years. The Earnings before Depreciation and Tax (EBDT) at the end of year 1, 2, 3 and 4 are expected as ₹ 1,60,000, ₹ 1,80,000, ₹ 2,00,000 and ₹ 2,30,000 respectively. The company charges depreciation under Straight Line Method. The estimated salvage value of the project is Nil. The company's target Pay Back Period (PBP) is 3 years. Should the project be accepted by the company? Assume tax rate @40%. 5

Or,

A company wants to bring change in its production line for which capital expenditure estimated at ₹ 3,00,000. The estimated returns, before charging depreciation are ₹ 45,000, ₹ 80,000, ₹ 75,000 and ₹ 70,000. Depreciation under Straight Line Method will be charged for the project having a salvage value of ₹ 60,000.

Assuming that no tax is to be paid. Calculate the Accounting Rate of Return (ARR) for the Capital Expenditure. 5

4. Write advantages and disadvantages of Payback Period Method in capital expenditure decision. 5

Group – B

5. The following information are available for BBS Ltd.:

	(₹)
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14% Debentures	3,00,000
16% Term loan	4,00,000

The current market price of each equity share is ₹ 15 and the company is expected to declare equity dividend ₹ 1.2 per share. The anticipated growth rate is 8% per annum. Tax rate is 40%. Compute weighted average cost of capital considering market value as weight. 10

Or,

Discuss : (a) Term Loan and (b) Retained Earnings as the sources of finance. 5+5

6. (a) What are the features of a sound capital structure?
(b) What do you mean by indifference point? 7+3

Or,

A company has provided the following information :

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Interest = ₹ 3,00,000, Operating Fixed Cost = ₹ 3,00,000, Tax Rate = 50%.

Variable cost = 1.5 times of Contribution.

Calculate Sales, Contribution and Profit After Tax. 10

7. From the following information of Skywalk Ltd., determine the working capital requirement :

(a) Expected monthly sales = 6,000 units

(b) Elements of cost per unit :

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Raw materials	6
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(c) Expected profit per unit = ₹ 2

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Please Turn Over

- (g) Credit allowed to debtors 4 months
- (h) Credit allowed by creditors 2 months
- (i) Lag in payment of wages 1 month
- (j) Overhead is paid twice in a month on 1st and 16th
- (k) Expected cash balance is 10% of gross working capital
- (l) Production is carried on evenly during the year and wages and expenses accrue in the same way.

10

8. Discuss the different strategies of financing current assets of a business firm.

10

9. A company is considering a project which needs an initial investment of ₹ 8,00,000 on plant. It also requires working capital of ₹ 80,000 which shall be recovered in full at the end of the project life. The expected life of the project is 6 years. At the end of the project, salvage value of ₹ 40,000 shall be realised. The expected annual cash inflows from the project are :

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Cash Inflows (₹)	Nil	1,00,000	3,50,000	5,00,000	5,00,000	4,50,000

Considering cost of capital @ 20%, evaluate the project by (i) Net Present Value Method, and (ii) Profitability Index Method.

Given that,

Year	1	2	3	4	5	6	
P.V. factor @ 20%	0.833	0.694	0.579	0.482	0.402	0.335	8+2

Or,

(a) Write a short note on Discounted Payback Period Method.

(b) State the accept-reject rule under Internal Rate of Return Method.

6+4

10. Followings are the details regarding three companies :

	P Ltd.	Q Ltd.	R Ltd.
Earnings Per Share	₹ 10	₹ 10	₹ 10
Internal Rate of Return	15%	12%	10%
Cost of Capital	12%	12%	12%

Compute the market price per share of each of the above companies by applying Walter's Model under the following dividend decision :

- (a) Dividend Payout Ratio = 0%
- (b) Dividend Payout Ratio = 50%
- (c) Dividend Payout Ratio = 100%

Identify the optimum Dividend Payout Ratio for the above three companies.

10