SDCFA202/SDCAF202

II Semester B.Com. (F&A)/(A&F) Degree Examination,
June/July - 2026
(SEP Scheme)
COMMERCE
Financial Management
Paper : 2.2

Time : 3 Hours **Maximum Marks : 80**

Instructions:

Answer should be written in English only.

SECTION - A

Answer any Five sub-questions. Each sub-question carries Two marks. **(5×2=10)**

1. a) What is capital structure?

b) State the meaning of dividend.

c) Define Financial management.

d) Cost of the assets is Rs. 10,00,000. Scrap value is 20%. working life is 5 years. Calculate Depreciation.

e) Expand EBIT, EAT and EPS.

f) Sales 10,000 units, Variable cost 30% Fixed cost 1,00,000. Calculate contribution if the selling price is Rs. 75 per unit.

g) Investment Rs. 5,00,000 scrap value is 10% , Additional working capital of Rs. 2,00,000. Calculate Average investment.

SECTION - B

Answer any Three questions. **(3×6=18)**

2. Briefly explain forms of dividend.

[P.T.O.

3. From the following information calculate operating, financial and combined Leverages.

Sales	1,00,000
Variable cost	25%
Fixed cost	25,000
Tax rate	50%
15% Debenture	1,00,000

4. Balance sheet of Ms. MONISH LTD. as on 31-3-2025

Liabilities	**Amount**	**Assets**	**Amount**
Capital	16,00,000	Land	10,00,000
Creditors	5,00,000	P & M	2,50,000
BOD	4,00,000	Stock	3,00,000
B/P	2,50,000	Debtors	3,00,000
		Cash-in-Hand	3,00,000
		Cash-at-Bank	3,00,000
		B/R	3,00,000
	27,50,000		**27,50,000**

Calculate Net Working Capitals

5. If EBIT is Rs. 10,00,000
Tax Rate is 35%
Preference dividend is Rs. 2,00,000
Calculate the Net Amount available to Equity share holders.

6. From the following information calculate ARR.

Investment	Rs. 20,00,000
Working Capital	1,50,000
Scrap value	20%
Working life	4 years

Income/Profit after Depreciation and tax

Year	1	2	3	4
Profit	30,000	80,000	1,20,000	1,50,000

SECTION - C

Answer any Three of the following questions. **(3×14=42)**

7. Explain in detail Emerging Role of the Financial Manager in India.

8. What are the factors determining working capital?

9. The Sangeetha Company Limited, operates its business with the Equity capital of Rs. 50,00,000 of Rs. 100 per share, company wants to raise further Rs. 30,00,000 for major expansion program with following 3 alternative plans.
   a) All Equity shares.
   b) Rs. 10,00,000 from equity and Rs. 20,00,000 from 10% debenture.
   c) All Debentures at 10% interest rate

   The company tax rate is 50%.
   Calculate EPS in each plan, when EBIT is Rs. 10,00,000.

10. A firm's cost of capital is 10%. It is considering two mutually exclusive project X and Y.
    The details are given below.

Particular	Project X	Project Y
Investment	1,50,000	1,50,000
Cash-in-flow (year)		
1	20,000	1,20,000
2	60,000	80,000
3	40,000	40,000
4	90,000	20,000
5	1,20,000	20,000

Compute:
a) Pay back period
b) Net present value

PV factors at 10% for 45 years.

Year	1	2	3	4	5
PV factor	0.909	0.826	0.751	0.683	0.621

11. From the following, calculate all the types of Leverages and EPS

Sales	Rs. 10,00,000
variable cost	Rs. 2,00,000
Fixed cost	Rs. 4,00,000
Debenture capital (10%)	Rs. 20,00,000
Tax rate	35%
Equity share capital of (Rs. 100 each)	50,00,000

SECTION - D

Answer any One of the following question. **(1×10=10)**

12. a) What is digital transformation in financial management?

(OR)

b) What is dividends? Write down different types of dividend?