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**LV—13—2023**

**FACULTY OF COMMERCE**

**M.Com. (Second Year) (Fourth Semester) EXAMINATION**

**NOVEMBER/DECEMBER, 2023**

**ADVANCED FINANCIAL MANAGEMENT**

**(Saturday, 9-12-2023)**

**Time : 2.00 p.m. to 5.00 p.m.**

*Time—3 Hours*

*Maximum Marks—75*

*N.B. :-* (i) Q. No. 1 is compulsory.

(ii) All questions carry equal marks.

(i) प्रश्न क्र. 1 आवश्यक आहेत.

(ii) सर्व प्रश्नांना समान गुण आहेत.

1. What is cost of capital ? Explain the significance of cost of capital. 15

“भांडवली मुल्य” काय आहे ? भांडवली मुल्याचे महत्त्व विशद करा.

2. Define working capital. Explain objectives of working capital. 15

खेळत्या भांडवलाची व्याख्या द्या. खेळत्या भांडवलाची उद्दिष्टे विशद करा.

*Or/किंवा*

Fox Ltd. issued 10,000 equity shares of Rs. 10 each at a premium of Rs. 2 each. The company has incurred issue expenses of Rs. 5,000. The equity shareholders expects the rate of dividend to 18% p.a. calculate the cost of equity share capital.

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3. Distinguish between financial leverage and combined leverage. 15

वित्तीय तरफ व एकत्रित तरफ यांच्यातील फरक स्पष्ट करा.

Or/किंवा

The following are the operating results of a firm :

Sales (units)	25,000
Interest per annum	Rs. 30,000
Selling price per unit	Rs. 24
Tax rate	50%
Variable cost per unit	Rs. 16
No. of equity shares	1000
Fixed cost per annum	Rs. 80,000

Compute :

- (a) Operating leverage  
(b) Financial leverage
4. Explain in detail factors affecting dividend policy. 15

लाभांश धोरणावर परिणाम करणारे घटक सविस्तरपणे विशद करा.

Or/किंवा

Prepare a cash budget for the three months ended 30th September, 2022 based on the following information :

- Cash at bank on 1st July, 2022 — Rs. 25,000
- Monthly salaries and wages Rs. 10,000
- Interest payable in August 2022 — Rs. 5,000

Estimated	June	July	August	September
Cash sales (actual)	120000	140000	152000	121000
Credit sales	100000	80000	140000	120000
Purchases	160000	170000	240000	180000
Other expenses	18000	20000	22000	21000

Credit sales are collected 50% in the month of sale and 50% in the month following. Collections from credit sale are subject to 10% discount if received in the month of sale and to 5% if received in the month following. 10% of the purchases are in cash and balance is paid in next month.

5. Write short notes on any *two* of the following :

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- (1) Preference cost of capital
- (2) Zero working capital approach
- (2) Gordon's model
- (4) Walter's model.

खालीलपैकी कोणत्याही दोनवर थोडक्यात टिपा लिहा :

- (1) अग्रहक्क भांडवल व्यय
- (2) शुन्य कार्यरत भांडवल दृष्टिकोन
- (3) गॉर्डनचा नमुना
- (4) वॉल्टर्स नमुना.