



IMPORTANT QUESTIONS FOR TEE JUNE 2024

MASTERS OF BUSINESS ADMINISTRATION (MBA) **MMPC 014 Financial Management**

1. Explain the different methods of financial statement analysis. Illustrate how ratio analysis helps in evaluating the financial performance of a company.
2. Discuss the significance of cash flow analysis and its impact on financial decision-making.
3. What is working capital management? Discuss the various components of working capital and their management.
4. Explain the concept of the operating cycle and its relevance in working capital management. How does it impact liquidity and profitability?
5. Describe the process of capital budgeting. What are the different techniques used in evaluating capital investment projects?
6. Compare and contrast Net Present Value (NPV) and Internal Rate of Return (IRR) methods in capital budgeting. Which method is preferred and why?
7. Define the cost of capital and explain its significance in financial decision-making.
8. How do you calculate the Weighted Average Cost of Capital (WACC)? Discuss the impact of WACC on investment decisions.
9. What is financial leverage? Discuss its advantages and disadvantages.
10. Explain the concepts of operating leverage and combined leverage. How do they affect a company's profitability and risk?
11. Discuss the different types of dividend policies a company can adopt. What factors influence a company's dividend decision?
12. Explain the Modigliani-Miller theorem on dividend irrelevance. What are its assumptions and limitations?



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13. Describe the structure of financial markets. What are the primary and secondary markets?
14. Explain the various financial instruments available in the market. How do they differ in terms of risk and return?
15. Define the concept of risk and return. How do they influence investment decisions?
16. Discuss the Capital Asset Pricing Model (CAPM) and its application in determining the expected return on an investment.

