

**SUBJECT CODE: MBAD1- 213 SUBJECT: Financial Management**

INSTRUCTIONS TO CANDIDATES

- Each assignment carries 10 marks only
- All the four assignments are compulsory

1. Define Financial Management? Discuss whether wealth maximization is superior criteria than profit maximization. (UNIT I) (10 Marks)

2. Calculate expected return and risk of the following stocks? In your opinion, which stock is better for investment purpose and why? Is there any possibility of combining these two stocks in a portfolio? Comment (UNIT II) (10 Marks)

State	Probability	Return On Stock A	Return On Stock B
1	20%	5%	50%
2	30%	10%	30%
3	30%	15%	10%
4	20%	20%	-10%

3. a) Discuss various working capital strategies. (5 Marks)

b) ABC Ltd. is engaged in sale of footballs. Its cost per order is ₹400 and its carrying cost is ₹10 per unit per annum. The company has a demand for 20,000 units per year. Calculate the order size, total orders required during a year, total carrying cost and total ordering cost for the year. (UNIT III) (5 Marks)

4. a) Discuss the features of Venture Capital. (5 Marks)

b) Explain the significance of Primary and Secondary Markets in India. (5 Marks)