

PAPER – 12
FINANCIAL MANAGEMENT & INTERNATIONAL FINANCE
TEST PAPER – III12/AFM/2008/T-1

Time Allowed: 3 Hours

Full Marks: 100

Answer Q.No.1 and any five Questions from the rest

1. “Capital structure constitutes one of the most important decisions in finance”. Explain the above statement with examples
2. Explain the various techniques of capital budgeting with the help of an example, clearly highlighting the merits and demerits of each technique
3. What do you mean by cash from operations? How will you prepare a cash from operations statement?
4. “Cost, Volume, Profit relationship analysis helps in proper measurement of product profitability”- Explain the above statement with examples and also the limitations of CVP analysis
5. What is Balanced score card? What is its philosophy?
6. Explain the Black & Scholes model of option valuation. Where is this model used?
7. Explain the process of project appraisal with illustration
8. Explain the difference between forward and future as risk management products. Explain how options help in management of risk