



**PAPER 11: FINANCIAL MANAGEMENT : MOST IMPORTANT QUESTIONS**

**MODULE1:INDRODUCTION**

1. Write a short note on the following (systematic and unsystematic risk).[Dec-2022]
2. what is wealth maximisation as the objective of financial management ? why is profit maximisation not an operationally feasible criterion ?state briefly interrelationship between investment financing and dividend decision [jun-2023]

**MODULE 2: FINANCIAL INSTITUTION**

3. Write a short note on the venture capital [dec-2017]
4. Write a short note on the venture capital [dec-2018]
5. What are the difference between merchant banks and commercial bank [jun-2015]
6. List two direct instrument and two indirect instruments used by RBI in the implementation of its monetary policy [dec-2015]
7. What is the principal business of the following entity? Asset finance company (AFC);Investment company (IC); Infrastructure Debt Fund -NBFC(IDF-NBFC) [DEC-2015]
8. What are the tools and technique used by RBI to maintain financial stability[June-2017]
9. Name the regulatory authority of the following entities [dec-2016]

1.Chit funds
2.Insurance company
3.Housing finance company
4.Venture capital fund
5.non-banking financial company
6.Stock broking companies
7.Nidhi companies
8.Private banks

10. Identify the functions of the bank under the appropriate classification and tick to mention whether it is a banking or non-banking functions.

SI,NO	Activity	Functions	Banking	Non-banking
1	Discounting of bill of exchange			
2	Electronic fund transfer between accounts of customer			
3	Periodic payment of electricity bills of customers			
4	Acceptance of public provident funds			



## MODULE 2: CAPITAL MARKET

11. Write a short note on source of credit rating information [dec-2013]
12. Write a short note on price-based auction in securities market[jun-2017]
13. Differentiate between capital market and money market with respect to the following aspects
14. Types of investments
15. Participants
16. Regulators
17. Risk [**jun-2016**]
18. Estimate the disadvantages of book building system, in relation to Indian capital market [**dec-2013**]
19. What is Follow-on-public Offer(FPO) with reference to capital market? [**jun-2014**]
20. What is rolling statement? [**dec-2014**]
21. Explain any two processes of Credit Rating [**dec-2014**]
22. Explain the advantages of the book building process
23. Explain any two limitations of Credit Rating [**jun-2015**]
24. List four advantages of book building process [**jun-2016**]
25. What is the “Rolling system” in the context of clearing house operation?[dec-2016]
26. Classify the following items under the appropriate category whether Money Market (MM) or Capital market (CM) [**dec-2018**]

a.	Inter bank participation certificate
b.	Equity shares
c.	SWAPS
d.	REPOS
e.	RBI and government are participants
f.	Commercial paper
g.	Global depository receipts (GDRs)
h.	Deep Discount Bonds (DDBs)

27. Examine the difference between primary market and secondary market
28. Y is an instrument that entitles the holder to buy the underlying stock from the issuer company itself at a fixed exercise price until the expiration date. Identify Y? (**DEC-2021**)

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## MONEY MARKET

29. Write a short note on commercial paper in India [**dec-2013**]
30. Write a short note on issue of commercial paper in India [**jun-2015**]
31. Write a short note on liquidity Adjustment Facility [**jun-2016**]
32. Write a short note on Repo Rate and Reverse Repo rate [**dec-2018**]
33. Distinguish between inter corporate deposits and public deposits [**dec-2013**]



34. Differentiate between open-end and close-end mutual fund [dec-2015]
35. Illustrate the difference between money market and capital market [dec-2016]
36. State the difference between Indian Treasury Bill and Central government securities on the following aspects? A) Purpose of issue B) Tenor [jun-2019]
37. What are the prerequisites for an efficient money market? What are the benefits? [jun-2014]
38. Evaluate the following instruments [jun-2014]
  - A) Treasury Bills
  - B) certificate of deposits
  - C) Commercial paper
39. Mention any three economic functions of financial market [dec-2014]
40. Write down the objectives of interbank participation certificate [dec-2014]
41. Explain briefly about money market mutual funds (MMMFs) [dec-2014]
42. "Money market mutual are the lowest-risk variety of mutual funds, but they are not risk-free. Discuss [jun-2016]
43. State four features of government securities [dec-2016]
44. What is an entry load and an exit load in the context of mutual fund. [dec-2016]
45. Discuss the nature of call money market in India with a reference duration, borrowers and securities [dec-2017]
46. State the difference between commercial paper and certificate of deposits (CP&CD) on the following aspects
  - A) Issuer
  - B) Conditions to be satisfied by an issuer to be eligible for an issue [jun-2019]
47. List any four alternative Investment funds (AIF) and four Credit rating agencies in India. List any six money market instruments traded. list any four treasury bills. How is yield on treasury bills calculated? [jun-2023]
48. Classify the following items under the appropriate category whether Money Market (MM) or Capital Market (CM)
  - (a) RBI and government are participant
  - (b) Regulated by SEBI
  - (c) Tenor of instruments is usually less than a year
  - (d) Treasury bills
  - (e) Commercial papers
  - (f) Zero coupon bonds
  - (g) Equity shares
  - (h) Debentures [jun-2015]
49. State the features on call money market on the following aspects
  - (a) Purpose
  - (b) Duration
  - (c) Security
  - (d) Call rate
  - (e) Lenders (name four lenders) [dec-2016]
50. Write short notes on treasury bills



51. Write a short note on money market mutual funds

### **MODULE 3 :TOOLS FOR FINANCIAL ANALYSIS**

52. Write a short note on debtors' turnover ratio
53. Explain the advantages of ratio analysis [jun-2018]
54. Write a short note on defensive interval ratio (DIR)
55. Explain the advantages of ratio analysis [dec-2018]
56. Write a short note on significance of funds flow statement (FFS) [Jun-2019]
57. Differences between fund flow statement and cash flow statement [jun-2018]
58. Classify the following independent item of cash flow under
- (a) Cash receipt from future contract held for trading purpose
  - (b) Cash receipts from repayment of advances to third parties other than a financial enterprise
  - (c) Interest received from by a financial enterprise
  - (d) Cash received from disposal of fixed asset
  - (e) Cash receipt from interest in joint venture
  - (f) Dividend paid by a non-financial enterprise
  - (g) Cash payment on account of acquisition of a subsidiary
  - (h) Cash flows arising from taxes on income not specifically identifiable [dec-2013]
59. What is debt service coverage ratio? explain its significance
60. Will the following item feature in the cash flow statement as per AS-3? If so, state the category under which the item will be shown
- (a) Cash paid to develop self-constructed fixed asset
  - (b) Acquisition of another entity by issue of shares
  - (c) Conversion of debt to equity [jun-2014]

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### **MODULE 4 : SOURCE OF FINANCE**

61. Write a short note on Foreign Currency Convertible Bond (FCCBs) [dec-2013]
62. Write a short note on Global depositary receipts[jun-2014]
63. Write a short note on forfeit [dec-2021]
64. Write a short note on
- (a) Factoring Vs. Bill Discounting
  - (b) Operating and financial lease
  - (c) GDR and ADR
65. What is factoring? Explain the concepts of full-service factoring
66. Explain the procedure involved in the Forfeiting Financial service
67. What is global depositary receipts? List any four of its characteristics
68. What is a financial lease? What are its characteristic features?
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**TOPIC : COST OF CAPITAL**

69. Write a short notes on capital asset pricing model [Jun-2017]
  70. What is marginal cost of capital? how is it used in decision making[jun-2015]
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**TOPIC : CAPITAL BUDGETING**

71. Write a short note on internal rate of return[dec-2017]
  72. Write a short notes on need of capital budgeting decision[dec-2019]
  73. Write a short note on profitability index[dec-2021]
  74. What is the acceptance rule for a project under the internal rate of return parameter?
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**TOPIC: WORKING CAPITAL MANAGEMENT**

75. Write a short note on Letter of credit [jun-2015]
  76. Determinants of working capital management[jun-2018]
  77. What are the danger of inadequate amount of working capital[dec-2018]
  78. List the usual forms of bank credit available for a business[jun-2015]
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**TOPIC : CAPITAL STRUCTURE AND CAPITAL STACKING**

79. Write a short note on the theory of net income approach relating to capital structure [jun-2014]
  80. Write a short note on Net income approach to capital structure[jun-2017]
  81. What are the assumptions of Modigliani-Miller theory on capital structure and the overall cost of capital[Dec-2014]
  82. The M-M hypothesis on capital structure assumes perfect capital market. State four features of such market assumed by the hypothesis[dec-2015]
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**TOPIC: LEVERAGE AND EBIT-EPS ANALYSIS**

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  84. Write a short notes on financial leverage [jun-2017]
  85. Write a short notes on combined leverage[dec-2017]
  86. Explain the concept of operating and financial leverage and EBIT-EBT indifference point . what financial plan would you opt for when EBIT is Above ; At; and Below the indifference point[dec-2015]
  87. Explain the concept of financial leverage and operational leverage[dec-2014]
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**TOPIC : DIVIDEND DECISION AND DIVIDEND THEORIES**

88. Write a short notes on Dividend Irrelevance theory of Modigliani and Miller[jun-2015]



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**TOPIC : INTRODUCTION TO DATA SCIENCE FOR BUSINESS DECISIONS-MAKING**

89. Differentiate Data , Information, and Knowledge[jun-2014]
90. Explain briefly the five basic principle of data ethics that a business organisation should follow
91. Transformation of Data to decisions relevant information requires to go through certain core steps ,explain the steps to transform data into information[dec-2023]

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**TOPIC : DATA PROCESSING,ORGANISATION,CLEANING AND VALIDATION**

92. What is data cleaning? what are the steps for data cleaning? What are the benefits of data cleaning?[jun2023]
93. Write a short note on binomial distribution
94. Elaborately discuss the various steps involved in data cleaning
95. Benefits of data cleaning
96. Steps for effective data classification

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**TOPIC : DATA PRESENTATION:VISUALISATION AND GRAPHICAL PRESENTATION**

97. Lists the following
  - (a) Steps involved in using data visualisation in report design
  - (b) Objectives of data visualisation
  - (c) Important four issues which the presenter should keep in mind for effective data visualisation
  - (d) List any four tools visualising and presenting the data [jun 2023]
98. State the meaning objectives and scope of Data Presentation Architecture(DPA)[Jun 2023]

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**TOPIC : DATA ANALYSIS AND MODELLING**

99. Write a short note on cloud computing[jun-2014]
  100. What is data mining state two of its uses [jun-2014]
  101. Define prescriptive analytics and explain how its work [dec-2023]
  102. Data analytics is the science of evaluating unprocessed data sets to get some conclusions. In the context of the given statement briefly explain the steps of data analytics[dec-2023]
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