

Bachelor of Management Studies(BMS)Programme

Third YearSemester Vand VI Under Choice Based Credit, Grading and Semester System (REV 18-19)

Course : TYBMS

SEM : VI

Group A: Finance Electives

Paper :STRATEGIC FINANCIAL MANAGEMENT

SAMPLE QUESTIONS

Q. No.	Question	Option A	Option B	Option C	Option D	Correct Option
1	A set of guidelines about dividend is known as _____.	Dividend Policy	Capital structure policy	Working Capital Policy	Capital Budgeting Policy	A
2	Corporation tax does not exist is not the assumption of _____ theory.	Gordon	Fayol	Modigliani & Miller	Walter	B
3	Walter's Model suggest for 100% DP Ratio when _____.	$k_e = r$	$k_e < r$	$k_e > r$	$k_e = 0$	C
4	Payment of fixed dividend is known as _____.	Constant Payout	Fluctuating Dividend	Cash Dividend	Stock Dividend	A
5	The irrelevance theory of dividend was supported by _____.	Walter	Modigliani & Miller	Gordon	Fayol	B
6	XBRL provides _____.	Numerical accuracy	Proper HR policies	Effective Measure of Performance	effective dividend strategy	A
7	XBRL is based on_____.	Marketing function	XML	MCA	IDAR	B
8	XBRL India is formed as a _____.	Registered Company	Trust	Government corporation	Unlimited Liability Companies	A
9	XBRL provides _____.	Numerical accuracy	Proper HR policies	Effective Measure of Performance	effective dividend strategy	A
10	XBRL stands for _____.	Extra business regulation Ltd.	Excursive business reporting law	Extra - ordinary business reporting language	Extensible business reporting language	D
11	_____ is authorised to develop XBRL.	ICAI	MCA	SEBI	IDRA	A
12	In India _____ is authorised to develop XBRL.	SBI	SEBI	ICAI	NSE	C
13	XML stands for _____.	Extensible mark up language	Extensible marking language	Extensible Marketing lessen	Extensible Marketing Leader	A
14	Capital Budgeting decisions involves risk due to _____.	Time Factor	Money Factor	Human Factor	Calculation Factor	A
15	In case of risky project the required rate of return would generally be _____.	Higher	Lower	Same as for others	Standard return	A

16	Formula for calculating PI is _____.	PVCI/PVCO	PVCI/NPV	NPV/PVCO	PVCO/PVCI	A
17	_____ is the full form of RADR.	Risk Adjusted Discount Rate	Rate Adjusted Discounting Rate	Risk Automatic Discount Rate	Rate Automatic Diacount Rate	A
18	Capital rationing is selection of investment proposal under _____.	Constraint of funds.	Weakness of Capital Market	Funds are abundant today	No Constraints of funds	A
19	Under sensitivity analysis _____ factor is identified.	Most insensitive	Most Sensitive	Sensitivity of human factor is identified	Sensitivity of returns	B
20	Higher the risk, _____ will be the discount rate.	The degree of risk	The degree of certainty	Higher	Lower	C
21	Capital rationing may arise due to _____.	Imperfection of Capital Market	Perfection in Capital Market	Stronge Capital Market	Availability of Fund	A
22	_____ is considered as external factor for determining dividend policy.	Retained Earning	Liquidity	Govt. Policy	Stages of the Organization	C
23	Co-efficient of variation indicates that _____.	Higher the co-efficient, the riskier is the project.	Lower the co-efficient, the riskier is the project	Lower the co-efficient higher the risk in the project.	Higher the co-efficient, high risk in the project.	A
24	In probability analysis _____.	Probability is assigned to each year's cash inflow.	Probability is assigned to cash outflow.	Probability is assigned to economic situation	PV factor is assigned to each years cashflow.	A
25	In IRR technique project will be rejected when, _____.	IRR > Risk Free Discount Rate	IRR < Risk Free Discount Rate	IRR = Risk Free Discount Rate	IRR = 0	B
26	In IRR technique project will be accepted when, _____.	IRR > Risk Free Discount Rate	IRR < Risk Free Discount Rate	IRR = Risk Free Discount Rate	IRR = 0	A
27	Recent corporate paradigm is	Maximisation of shareholder's value	Maximisation of net profit	Maximization of market capitalisation	Minimize net profit	A
28	Financial goals are	Quantitative	Qualitative	Subjective	Objective	A
29	Amalgamation is governed by	AS 14	AS 3	AS 21	AS 32	A
30	Net profit for calculation of EVA is	NPAT	NPBT	NOPAT	NOP	C
31	Return on Investment =	N.P. After tax/Net worth * 100	Net Operating Profit/Investment * 100	N.P. Before Tax/Net worth * 100	Operating Profit/Capital Employed * 100	D

32	Cost of Debt before tax =	Interest / Debt * 100	Profit / Sales * 100	Profit/Total Assets * 100	N.P. Before Tax/Net worth * 100	A
33	MVA stands for _____.	Market value amalgamation	Market of value absorption	Market value added	Market value absorption	C
34	Caluculate EPS of Domino Ltd, if NPAT ₹2,00,000 & no. of equity shares is 40,000	₹2	₹3	₹4	₹5	D
35	EVA is positive when _____ .	NOPAT exceeds the Weighed Average Cost of Capital	NPAT exceeds the Weighted Average Cost of Capital	Gross profit exceeds the Weighted Average Cost of Capital	NPBT exceeds weighted average cost of capital	a
36	What are conglomerate mergers?	Merger between same type of firms	Merger between unrelated type of business	Vertical integration	Horizontal integration	B
37	Increased EPS is the benefit of	Corporate Restructuring	Dividend Policy	Cost accounting	Financial accounting	A
38	Capital gearing Ratio =	Capital having fixed cost of finance/capitla not having fixedcost of finance	Equity / Debt	Debt/Equity	Operating Profit/Capital Employed	A
39	MPBF refers to	Maximum Permissible Bank Finance	Minimum Permissible Bank Finance	Bank overdraft	Cash credit	A
40	Bills purchased and dicounted is treated as NPA when they remain unpaid for more than	40days	90days	45days	25days	B
41	NPA stands for _____.	Net Performing Assets	Non-Performing Assets	Non-Privilege Assets	Nor Performing Asstes	B
42	External short term source include	Bank overdraft	Equity shares	Prefernce shares	Bond	A
43	The percentage of provision required on sub-standard asset on secured portion is	0.15	0.12	0.1	0.05	A
44	Working Capital is _____.	Current asset	Current liability	Current asset -current liability	Current Asset + Current laibility	C

45	Depreciation (SLM) p.a =	Original cost- Salvage value/Estimate d life	Tier 1 capital - Tier 2 capital/Risk weighted asstes * 100	Face value - Price paid/Price paid * Actual number of dyas in year/Term length in days	Current Assets - Current Liability	A
46	Public Deposits are accepted for a maximum of	2 years	3 years	5 years	1 year	B
47	Term loan becomes NPA when interest / principal remains over due for a period of more than	90days	180days	30days	45days	A
48	RBI appointed a study group under the chairman of Tandon committee	1975	1976	1977	1978	A
49	The percentage of provision on loss asset is	0.3	0.5	0.75	1	D
50	The percentage of provision required on doubtful asset upto 1 years is	0.25	0.2	0.4	0.5	A