



PIMPRI CHINCHWAD EDUCATION TRUST'S  
**S. B. PATIL INSTITUTE OF MANAGEMENT**



**202 (GC - 08) Financial Management**

**Comprehensive Concurrent Evaluation - 1**

**CCE Group: A**

**Title: MCQs with multiple correct answers**

**Linkages with COs**

**CO202.1 (Remembering):** DESCRIBE the basic concepts related to Financial Management, Various techniques of Financial Statement Analysis, Working Capital, Capital Structure, Leverages and Capital Budgeting

**A description of the assessment:**

Multiple Choice Questions (MCQ's) based on all units will be set to check the remembering abilities of the students. Each question will carry 1 mark.

**Conduction & Submission Dates:**

1. Conduction Date: - 13/06/2023
2. Submission Date: - 30/06/2023

**Encl:**

1. Notice of CCE Conduction
2. Rubrics

**Dr. Sanjay S. Gaikwad**  
Course Teacher



**Director**  
S. B. Patil Institute of Management  
Sector No. 26, Nigdi,  
Pradhikaran, Pune - 411 044.



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**202 (GC - 08) Financial Management**

**Comprehensive Concurrent Evaluation - 1**

**Name of the Student:**

**Roll Number:**

**Marks Obtained:**

**Total Marks: 30 Marks**

**Q1. Chose the correct option. Each question carry one mark.**

SR. NO	QUESTION	A	B	C	D	Correct Answer
1	What is ignored in principle of profit maximisation	Time value of money	Risk	Wealth creation	All the above	
2	Which is not a part of investment decision in financial management	Dividend payout decision	Capital budgeting decision	Working capital management	Credit policy towards customers	
3	Dividend decision is related to	Right issue of shares	Reinvestment requirement	Cash flow statement	Bonus issue of shares	
4	The goal of wealth maximisation takes into account	Risk related to uncertainty of return	Timing of expected return	Amount of returns expected	All the above	
5	Net profit ratio signifies	Operational efficiency	Liquidity position	Long term solvency	Profit for lenders	
6	Trend analysis helps in comparing performance of a firm	With other firms	Over a period of time	With other industries	All the above	
7	Which of the following statement is correct	A higher receivables turnover is not desirable	Interest coverage ratio depends upon tax rate	Increase in net profit ratio means increase in sales	Lower debt equity ratio means lower financial risk	
8	Net operating cycle =	GOC - DP	GOC + DP	RMCP + RCP	RMCP - RCP	
9	Which of the following is not a determinant of working capital	Nature of business	Production policy	Foreign exchange policy	Credit policy	

  
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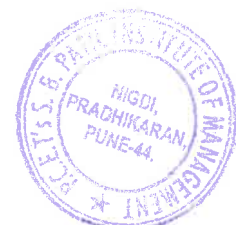
10	Cost of Capital for bonds and Debentures is calculated on	Before tax basis	After tax basis	Risk free rate of interest basis	Marginal rate of interest	
11	Relationship between change in sales and change in EPS is measured by	Financial leverage	Operating leverage	Combined leverage	Variances	
12	Minimum rate of return that a firm must earn in order to satisfy its investors is also known as	Average return on investment	WACC	Net profit ratio	Average cost of borrowing	
13	The time value of money exists not due to	inflationary conditions exist for money	personal consumption preference is delayed	the possibility to increase profits	forgoing reinvestment opportunities for sometime	
14	Which of the following statement is correct	if $PI < 1$ , its NPV is less than 0	if $PI = 0$ , its NPV is greater than 0	if $PI > 1$ , its NPV will be negative	PI of a project is always greater than one	
15	The rate at which NPV become zero is called as	PBP	ARR	PI	IRR	



**Q2. Answer the following (use A4 page for writing answers & enclose to the MCQ page)**

- 1) Define Financial Management.
- 2) List any four functions of financial management.
- 3) Shareholders Wealth =
- 4) List down techniques of financial statement analysis
- 5) List the advantages of ratio analysis
- 6) Capital Employed =
- 7) Debt Service Coverage Ratio =
- 8) What is working capital?
- 9) List any four determinants of working capital requirement.
- 10) What is operating cycle?
- 11) List any four factors affecting capital structure of firm.
- 12) What is cost of capital?
- 13) Write formulas to compute operating and financial leverage.
- 14) What is time value of money?
- 15) Write accept or reject criteria of capital project evaluated on the basis Internal Rate of Return.

  
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	<b>PIMPRI CHINCHWAD EDUCATION TRUST'S S. B. PATIL INSTITUTE OF MANAGEMENT</b>	
<b>202 (GC - 08) Financial Management</b>		
<b>Rubrics for Comprehensive Concurrent Evaluation - 1</b>		

The evaluation consists of MCQ & Answers in one sentence for 1 mark each. For every correct answer 1 mark will be given and 0 for incorrect answer.

Criteria	Advanced (25-30)	Proficient (19-24)	Progressing (13-18)	Need Improvement (0-12)
<b>DESCRIBE the basic concepts related to Financial Management, Various techniques of Financial Statement Analysis, Working Capital, Capital Structure, Leverages and Capital Budgeting</b>	The student is able to remember almost all of the concepts of Financial Management	The student is able to remember most of the concepts of Financial Management	The student is able to remember few concepts of Financial Management	The student has not submitted assignment or he is able to remember very few concepts of Financial Management

  
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