

Roll. No. ....

Question Booklet Number

O.M.R. Serial No.

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**B.Com. (Hons.) (SEM.-IV) EXAMINATION, 2025-26**

**COMMERCE**

**( Financial Management )**

**[ CODE : BCH-405 ]**

**Paper Code**

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Question Booklet  
Series

**A**

**Time : 1 : 30 Hours**

**Max. Marks : 75**

**Instructions to the Examinee :**

1. Do not open the booklet unless you are asked to do so.
2. The booklet contains 100 questions. Examinee is required to answer 75 questions in the OMR Answer-Sheet provided and not in the question booklet. All questions carry equal marks.
3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
4. Four alternative answers are mentioned for each question as - A, B, C & D in the booklet. The candidate has to choose the correct / answer and mark the same in the OMR Answer-Sheet as per the direction :

**(Remaining instructions on last page)**

**परीक्षार्थियों के लिए निर्देश :**

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। सभी प्रश्नों के अंक समान हैं।
3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, उसे तुरन्त बदल लें।
4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर- A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छॉटना है। उत्तर को OMR उत्तर-पत्रक में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

**(शेष निर्देश अन्तिम पृष्ठ पर)**

1. Financial management mainly deals with :
  - (A) Production
  - (B) Marketing
  - (C) Financing and Investment
  - (D) HR
2. Primary objective of financial management is :
  - (A) Profit maximization
  - (B) Wealth maximization
  - (C) Sales growth
  - (D) Cost control
3. Capital budgeting relates to :
  - (A) Short-term decisions
  - (B) Long-term investment
  - (C) Dividend policy
  - (D) Working capital
4. Working capital =
  - (A) Fixed Assets – Current Assets
  - (B) Current Assets – Current Liabilities
  - (C) Total Assets – Liabilities
  - (D) Capital – Reserves
5. Financial planning involves :
  - (A) Estimating funds
  - (B) Allocation of funds
  - (C) Control of funds
  - (D) All of the above
6. Which is a financial decision?
  - (A) Pricing
  - (B) Investment
  - (C) Promotion
  - (D) Distribution
7. Capital structure refers to :
  - (A) Asset structure
  - (B) Debt–Equity mix
  - (C) Working capital
  - (D) Reserves
8. Liquidity means :
  - (A) Profitability
  - (B) Solvency
  - (C) Ability to pay short-term debts
  - (D) Growth

9. Profit maximization ignores :
- (A) Risk
  - (B) Time value
  - (C) Both (A) and (B)
  - (D) None of the above
10. Wealth maximization considers :
- (A) Risk
  - (B) Return
  - (C) Time
  - (D) All of the above
11. Financial management is concerned with :
- (A) Funds
  - (B) Machines
  - (C) Manpower
  - (D) Materials
12. Retained earnings are :
- (A) External funds
  - (B) Internal funds
  - (C) Borrowed funds
  - (D) Public funds
13. Bonus shares are issued from :
- (A) Profit
  - (B) Reserves
  - (C) Capital
  - (D) Loans
14. Short-term finance is used for :
- (A) Fixed assets
  - (B) Current assets
  - (C) Buildings
  - (D) Land
15. Treasury management deals with :
- (A) Cash
  - (B) Stock
  - (C) Sales
  - (D) Marketing
16. Financial leverage relates to :
- (A) Fixed cost
  - (B) Debt
  - (C) Equity
  - (D) Dividend

17. Operating leverage relates to :
- (A) Sales
  - (B) Fixed operating cost
  - (C) Profit
  - (D) Capital
18. Combined leverage is :
- (A) Operating + Financial
  - (B) Sales + Profit
  - (C) Debt + Equity
  - (D) Fixed + Variable
19. Risk-free return is associated with :
- (A) Equity
  - (B) Bonds
  - (C) Government securities
  - (D) Debentures
20. Financial controller focuses on :
- (A) Planning
  - (B) Accounting
  - (C) Reporting
  - (D) All of the above
21. Payback period measures :
- (A) Profit
  - (B) Liquidity
  - (C) Risk
  - (D) Return
22. NPV method considers :
- (A) Time value
  - (B) Risk
  - (C) Profit
  - (D) Cost
23. IRR is the rate at which :
- (A) NPV = 0
  - (B) Profit = 0
  - (C) Cost = Revenue
  - (D) Cash flow = 0
24. ARR stands for :
- (A) Average Rate of Return
  - (B) Annual Return Ratio
  - (C) Asset Return Rate
  - (D) Average Revenue Return

25. Profitability Index =
- (A) PV of Inflows / Investment
  - (B) Profit / Capital
  - (C) Sales / Assets
  - (D) Cost / Profit
26. Cost of capital means :
- (A) Cost of assets
  - (B) Cost of funds
  - (C) Cost of profit
  - (D) Cost of sales
27. WACC means :
- (A) Weighted Average Cost of Capital
  - (B) Working Average Cost
  - (C) Weighted Annual Capital Cost
  - (D) None of the above
28. Cost of equity can be calculated by :
- (A) Dividend model
  - (B) CAPM
  - (C) Both (A) and (B)
  - (D) None of the above
29. Higher debt means :
- (A) Less risk
  - (B) More risk
  - (C) No risk
  - (D) Zero risk
30. Sunk cost is :
- (A) Relevant cost
  - (B) Irrelevant cost
  - (C) Future cost
  - (D) Variable cost
31. Opportunity cost is :
- (A) Past cost
  - (B) Alternative cost
  - (C) Fixed cost
  - (D) Variable cost
32. Mutually exclusive projects mean :
- (A) Both accepted
  - (B) Only one accepted
  - (C) All rejected
  - (D) None of the above

33. Capital rationing occurs when :
- (A) Funds are unlimited
  - (B) Funds are limited
  - (C) No projects
  - (D) High profit
34. Discount rate is based on :
- (A) Risk
  - (B) Cost of capital
  - (C) Inflation
  - (D) All of the above
35. Replacement decision relates to :
- (A) New asset
  - (B) Old asset
  - (C) Replacement of old asset
  - (D) Sale
36. Expansion decision means :
- (A) Reducing size
  - (B) Increasing capacity
  - (C) Closing unit
  - (D) Selling assets.
37. NPV > 0 means :
- (A) Reject project
  - (B) Accept project
  - (C) Delay
  - (D) Ignore
38. IRR < Cost of capital means :
- (A) Accept
  - (B) Reject
  - (C) Modify
  - (D) Postpone
39. Discounted payback considers :
- (A) Time value
  - (B) Profit
  - (C) Sales
  - (D) Cost
40. Depreciation is :
- (A) Cash expense
  - (B) Non-cash expense
  - (C) Profit
  - (D) Loss

41. Permanent working capital is :
- (A) Variable
  - (B) Fixed
  - (C) Seasonal
  - (D) Temporary
42. Temporary working capital is :
- (A) Fixed
  - (B) Variable
  - (C) Permanent
  - (D) Long-term
43. Conservative policy means :
- (A) More short-term funds
  - (B) More long-term funds
  - (C) No funds
  - (D) Only equity
44. Aggressive policy means :
- (A) More short-term funds
  - (B) More long-term funds
  - (C) Only equity
  - (D) Only debt
45. Cash management aims at :
- (A) Maximum cash
  - (B) Minimum cash
  - (C) Optimum cash
  - (D) No cash
46. EOQ relates to :
- (A) Cash
  - (B) Inventory
  - (C) Debtors
  - (D) Creditors
47. Debtors management focuses on :
- (A) Sales
  - (B) Collection
  - (C) Credit policy
  - (D) All of the above
48. Dividend policy decides :
- (A) Profit
  - (B) Distribution
  - (C) Investment
  - (D) Financing

49. Stable dividend policy means :
- (A) Fluctuating dividend
  - (B) Constant dividend
  - (C) No dividend
  - (D) High dividend
50. Residual dividend policy means :
- (A) Fixed dividend
  - (B) Dividend after investment
  - (C) No dividend
  - (D) Only bonus
51. Stock dividend means :
- (A) Cash
  - (B) Shares
  - (C) Bonds
  - (D) Debentures
52. Cash dividend means :
- (A) Shares
  - (B) Bonus
  - (C) Cash payment
  - (D) Profit
53. Flotation cost is :
- (A) Production cost
  - (B) Issue cost
  - (C) Marketing cost
  - (D) Admin cost
54. Trade credit is :
- (A) Bank loan
  - (B) Supplier credit
  - (C) Owner fund
  - (D) Public deposit
55. Factoring relates to :
- (A) Inventory
  - (B) Debtors
  - (C) Cash
  - (D) Creditors
56. A project is accepted if NPV is :
- (A) Negative
  - (B) Zero
  - (C) Positive
  - (D) Equal to cost

57. Dividend payout ratio =
- (A) Dividend / Profit
  - (B) Profit / Dividend
  - (C) Sales / Profit
  - (D) Assets / Sales
58. Which method considers the time value of money?
- (A) Payback Period
  - (B) Accounting Rate of Return
  - (C) Net Present Value
  - (D) Average Profit
59. Zero working capital means :
- (A)  $CA = CL$
  - (B)  $CA > CL$
  - (C)  $CA < CL$
  - (D) None of the above
60. Cash conversion cycle measures :
- (A) Profit
  - (B) Liquidity
  - (C) Sales
  - (D) Cost
61. Current ratio =
- (A)  $CA / CL$
  - (B)  $CL / CA$
  - (C)  $FA / CL$
  - (D)  $CA / FA$
62. Ideal current ratio is :
- (A) 1 :1
  - (B) 2 :1
  - (C) 3 :1
  - (D) 4 :1
63. Quick ratio excludes :
- (A) Cash
  - (B) Debtors
  - (C) Inventory
  - (D) Bank
64. Debt-equity ratio =
- (A) Debt / Equity
  - (B) Equity / Debt
  - (C) Assets / Debt
  - (D) Profit / Equity

65. Gross profit ratio =

- (A) GP / Sales
- (B) NP / Sales
- (C) Profit / Capital
- (D) Sales / GP

66. Net profit ratio shows :

- (A) Liquidity
- (B) Profitability
- (C) Solvency
- (D) Efficiency

67. Inventory turnover =

- (A) Sales / Stock
- (B) COGS / Avg Stock
- (C) Profit / Stock
- (D) Assets / Stock

68. ROI means :

- (A) Return on Investment
- (B) Rate of Income
- (C) Revenue on Income
- (D) None of the above

69. EPS means :

- (A) Earning Per Share
- (B) Equity Per Share
- (C) Expense Per Share
- (D) Earning Profit Share

70. P/E ratio =

- (A) Price / EPS
- (B) EPS / Price
- (C) Profit / Equity
- (D) Sales / Price

71. Fund flow statement shows :

- (A) Cash movement
- (B) Fund movement
- (C) Profit
- (D) Loss

72. Cash flow statement shows :

- (A) Profit
- (B) Cash inflow / outflow
- (C) Funds
- (D) Assets

73. Comparative statements show :
- (A) One year data
  - (B) Multiple years
  - (C) Future data
  - (D) Only past
74. Common-size statement shows :
- (A) Percentages
  - (B) Absolute figures
  - (C) Profit
  - (D) Loss
75. Trend analysis shows :
- (A) Past pattern
  - (B) Future pattern
  - (C) Only present
  - (D) None of the above
76. Working capital turnover =
- (A) Sales / WC
  - (B) Profit / WC
  - (C) Assets / WC
  - (D) Cost / WC
77. Solvency ratio measures :
- (A) Short-term ability
  - (B) Long-term ability
  - (C) Profit
  - (D) Sales
78. Operating ratio =
- (A) Operating Cost / Sales
  - (B) Profit / Sales
  - (C) Cost / Profit
  - (D) Sales / Cost
79. Financial statements are prepared by :
- (A) Manager
  - (B) Accountant
  - (C) Owner
  - (D) Auditor
80. Window dressing means :
- (A) Manipulation
  - (B) Decoration
  - (C) Accuracy
  - (D) Control

81. Systematic risk is :
- (A) Controllable
  - (B) Uncontrollable
  - (C) Zero
  - (D) Avoidable
82. Unsystematic risk is :
- (A) Market risk
  - (B) Company risk
  - (C) Inflation risk
  - (D) Interest risk
83. Portfolio means :
- (A) Single security
  - (B) Group of securities
  - (C) Only bond
  - (D) Only share
84. Diversification reduces :
- (A) Systematic risk
  - (B) Unsystematic risk
  - (C) Total profit
  - (D) Return
85. CAPM relates to :
- (A) Cost of equity
  - (B) Debt
  - (C) Dividend
  - (D) Cash
86. Beta measures :
- (A) Return
  - (B) Risk
  - (C) Profit
  - (D) Growth
87. Primary market deals with :
- (A) Old shares
  - (B) New shares
  - (C) Bonds
  - (D) Debts
88. Secondary market deals with :
- (A) New issues
  - (B) Old securities
  - (C) IPO
  - (D) Rights issue
89. IPO means :
- (A) Initial Public Offer
  - (B) Internal Public Offer
  - (C) Initial Price Offer
  - (D) Issue Public Order
90. SEBI regulates :
- (A) Banks
  - (B) Insurance
  - (C) Capital market
  - (D) Trade

91. Mutual fund collects money from :
- (A) Banks
  - (B) Public
  - (C) Government
  - (D) Firms
92. Venture capital finances :
- (A) Old firms
  - (B) New firms
  - (C) Sick firms
  - (D) Govt. firms
93. Leasing is :
- (A) Buying asset
  - (B) Renting asset
  - (C) Selling asset
  - (D) Scrapping asset
94. Hire purchase means :
- (A) Cash purchase
  - (B) Installment purchase
  - (C) Rent
  - (D) Lease
95. Profitability Index is calculated as :
- (A)  $PV \text{ of inflows} / \text{Initial investment}$
  - (B)  $\text{Profit} / \text{Sales}$
  - (C)  $\text{Sales} / \text{Cost}$
  - (D)  $\text{Cost} / \text{Profit}$
96. Mutually exclusive projects means :
- (A) Only one project can be selected
  - (B) Many projects selected
  - (C) No project selected
  - (D) Unlimited projects
97. Present value is calculated by :
- (A) Discounting future cash flows
  - (B) Adding interest
  - (C) Multiplying by time
  - (D) Dividing profit.
98. Compounding means :
- (A) Deducting interest
  - (B) Adding interest to principal
  - (C) Ignoring interest
  - (D) Subtracting cost
99. Financial risk arises due to :
- (A) Debt
  - (B) Equity
  - (C) Profit
  - (D) Sales
100. Main aim of finance manager is :
- (A) Maximize cost
  - (B) Minimize profit
  - (C) Maximize wealth
  - (D) Reduce sales

## **Rough Work**

**Example :**

**Question :**

Q.1 (A) ● (C) (D)

Q.2 (A) (B) ● (D)

Q.3 (A) ● (C) (D)

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.
6. All answers are to be given on OMR Answer Sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.
7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.
8. After the completion of the examination, candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.
9. There will be no negative marking.
10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.
11. To bring and use of log-book, calculator, pager & cellular phone in examination hall is prohibited.
12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

**Impt. On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.**

**उदाहरण :**

**प्रश्न :**

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
6. सभी उत्तर केवल ओ०एम०आर० उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओ०एम०आर० उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।
9. निगेटिव मार्किंग नहीं है।
10. कोई भी रफ कार्य, प्रश्न-पुस्तिका में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा-कक्ष में लॉग-बुक, कैल्कुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

**महत्वपूर्ण:** प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।