

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

**B**

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

9. Permanent working capital is :
- (A) Variable
  - (B) Fixed
  - (C) Seasonal
  - (D) Temporary
10. Temporary working capital is :
- (A) Fixed
  - (B) Variable
  - (C) Permanent
  - (D) Long-term
11. Conservative policy means :
- (A) More short-term funds
  - (B) More long-term funds
  - (C) No funds
  - (D) Only equity
12. Aggressive policy means :
- (A) More short-term funds
  - (B) More long-term funds
  - (C) Only equity
  - (D) Only debt
13. Cash management aims at :
- (A) Maximum cash
  - (B) Minimum cash
  - (C) Optimum cash
  - (D) No cash
14. EOQ relates to :
- (A) Cash
  - (B) Inventory
  - (C) Debtors
  - (D) Creditors
15. Debtors management focuses on :
- (A) Sales
  - (B) Collection
  - (C) Credit policy
  - (D) All of the above
16. Dividend policy decides :
- (A) Profit
  - (B) Distribution
  - (C) Investment
  - (D) Financing

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

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

33. Gross profit ratio =
- (A) GP / Sales
  - (B) NP / Sales
  - (C) Profit / Capital
  - (D) Sales / GP
34. Net profit ratio shows :
- (A) Liquidity
  - (B) Profitability
  - (C) Solvency
  - (D) Efficiency
35. Inventory turnover =
- (A) Sales / Stock
  - (B) COGS / Avg Stock
  - (C) Profit / Stock
  - (D) Assets / Stock
36. ROI means :
- (A) Return on Investment
  - (B) Rate of Income
  - (C) Revenue on Income
  - (D) None of the above
37. EPS means :
- (A) Earning Per Share
  - (B) Equity Per Share
  - (C) Expense Per Share
  - (D) Earning Profit Share
38. P/E ratio =
- (A) Price / EPS
  - (B) EPS / Price
  - (C) Profit / Equity
  - (D) Sales / Price
39. Fund flow statement shows :
- (A) Cash movement
  - (B) Fund movement
  - (C) Profit
  - (D) Loss
40. Cash flow statement shows :
- (A) Profit
  - (B) Cash inflow / outflow
  - (C) Funds
  - (D) Assets

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

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

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

67. Systematic risk is :
- (A) Controllable
  - (B) Uncontrollable
  - (C) Zero
  - (D) Avoidable
68. Unsystematic risk is :
- (A) Market risk
  - (B) Company risk
  - (C) Inflation risk
  - (D) Interest risk
69. Portfolio means :
- (A) Single security
  - (B) Group of securities
  - (C) Only bond
  - (D) Only share
70. Diversification reduces :
- (A) Systematic risk
  - (B) Unsystematic risk
  - (C) Total profit
  - (D) Return
71. CAPM relates to :
- (A) Cost of equity
  - (B) Debt
  - (C) Dividend
  - (D) Cash
72. Beta measures :
- (A) Return
  - (B) Risk
  - (C) Profit
  - (D) Growth
73. Primary market deals with :
- (A) Old shares
  - (B) New shares
  - (C) Bonds
  - (D) Debts
74. Secondary market deals with :
- (A) New issues
  - (B) Old securities
  - (C) IPO
  - (D) Rights issue
75. IPO means :
- (A) Initial Public Offer
  - (B) Internal Public Offer
  - (C) Initial Price Offer
  - (D) Issue Public Order
76. SEBI regulates :
- (A) Banks
  - (B) Insurance
  - (C) Capital market
  - (D) Trade

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

85. Stable dividend policy means :
- (A) Fluctuating dividend
  - (B) Constant dividend
  - (C) No dividend
  - (D) High dividend
86. Residual dividend policy means :
- (A) Fixed dividend
  - (B) Dividend after investment
  - (C) No dividend
  - (D) Only bonus
87. Stock dividend means :
- (A) Cash
  - (B) Shares
  - (C) Bonds
  - (D) Debentures
88. Cash dividend means :
- (A) Shares
  - (B) Bonus
  - (C) Cash payment
  - (D) Profit
89. Flotation cost is :
- (A) Production cost
  - (B) Issue cost
  - (C) Marketing cost
  - (D) Admin cost
90. Trade credit is :
- (A) Bank loan
  - (B) Supplier credit
  - (C) Owner fund
  - (D) Public deposit
91. Factoring relates to :
- (A) Inventory
  - (B) Debtors
  - (C) Cash
  - (D) Creditors
92. A project is accepted if NPV is :
- (A) Negative
  - (B) Zero
  - (C) Positive
  - (D) Equal to cost

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

## **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।