

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

D

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

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

19. Stable dividend policy means :
- (A) Fluctuating dividend
 - (B) Constant dividend
 - (C) No dividend
 - (D) High dividend
20. Residual dividend policy means :
- (A) Fixed dividend
 - (B) Dividend after investment
 - (C) No dividend
 - (D) Only bonus
21. Stock dividend means :
- (A) Cash
 - (B) Shares
 - (C) Bonds
 - (D) Debentures
22. Cash dividend means :
- (A) Shares
 - (B) Bonus
 - (C) Cash payment
 - (D) Profit
23. Flotation cost is :
- (A) Production cost
 - (B) Issue cost
 - (C) Marketing cost
 - (D) Admin cost
24. Trade credit is :
- (A) Bank loan
 - (B) Supplier credit
 - (C) Owner fund
 - (D) Public deposit
25. Factoring relates to :
- (A) Inventory
 - (B) Debtors
 - (C) Cash
 - (D) Creditors
26. A project is accepted if NPV is :
- (A) Negative
 - (B) Zero
 - (C) Positive
 - (D) Equal to cost

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

35. Systematic risk is :
- (A) Controllable
 - (B) Uncontrollable
 - (C) Zero
 - (D) Avoidable
36. Unsystematic risk is :
- (A) Market risk
 - (B) Company risk
 - (C) Inflation risk
 - (D) Interest risk
37. Portfolio means :
- (A) Single security
 - (B) Group of securities
 - (C) Only bond
 - (D) Only share
38. Diversification reduces :
- (A) Systematic risk
 - (B) Unsystematic risk
 - (C) Total profit
 - (D) Return
39. CAPM relates to :
- (A) Cost of equity
 - (B) Debt
 - (C) Dividend
 - (D) Cash
40. Beta measures :
- (A) Return
 - (B) Risk
 - (C) Profit
 - (D) Growth
41. Primary market deals with :
- (A) Old shares
 - (B) New shares
 - (C) Bonds
 - (D) Debts
42. Secondary market deals with :
- (A) New issues
 - (B) Old securities
 - (C) IPO
 - (D) Rights issue
43. IPO means :
- (A) Initial Public Offer
 - (B) Internal Public Offer
 - (C) Initial Price Offer
 - (D) Issue Public Order
44. SEBI regulates :
- (A) Banks
 - (B) Insurance
 - (C) Capital market
 - (D) Trade

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

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

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

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

77. Permanent working capital is :
- (A) Variable
 - (B) Fixed
 - (C) Seasonal
 - (D) Temporary
78. Temporary working capital is :
- (A) Fixed
 - (B) Variable
 - (C) Permanent
 - (D) Long-term
79. Conservative policy means :
- (A) More short-term funds
 - (B) More long-term funds
 - (C) No funds
 - (D) Only equity
80. Aggressive policy means :
- (A) More short-term funds
 - (B) More long-term funds
 - (C) Only equity
 - (D) Only debt
81. Cash management aims at :
- (A) Maximum cash
 - (B) Minimum cash
 - (C) Optimum cash
 - (D) No cash
82. EOQ relates to :
- (A) Cash
 - (B) Inventory
 - (C) Debtors
 - (D) Creditors
83. Debtors management focuses on :
- (A) Sales
 - (B) Collection
 - (C) Credit policy
 - (D) All of the above
84. Dividend policy decides :
- (A) Profit
 - (B) Distribution
 - (C) Investment
 - (D) Financing

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

93. Gross profit ratio =
- (A) GP / Sales
 - (B) NP / Sales
 - (C) Profit / Capital
 - (D) Sales / GP
94. Net profit ratio shows :
- (A) Liquidity
 - (B) Profitability
 - (C) Solvency
 - (D) Efficiency
95. Inventory turnover =
- (A) Sales / Stock
 - (B) COGS / Avg Stock
 - (C) Profit / Stock
 - (D) Assets / Stock
96. ROI means :
- (A) Return on Investment
 - (B) Rate of Income
 - (C) Revenue on Income
 - (D) None of the above
97. EPS means :
- (A) Earning Per Share
 - (B) Equity Per Share
 - (C) Expense Per Share
 - (D) Earning Profit Share
98. P/E ratio =
- (A) Price / EPS
 - (B) EPS / Price
 - (C) Profit / Equity
 - (D) Sales / Price
99. Fund flow statement shows :
- (A) Cash movement
 - (B) Fund movement
 - (C) Profit
 - (D) Loss
100. Cash flow statement shows :
- (A) Profit
 - (B) Cash inflow / outflow
 - (C) Funds
 - (D) Assets

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।