

FINANCIAL MANAGEMENT
CONCEPT, IMPORTANCE AND OBJECTIVES
WORKSHEET :1

Que.1	What is financial management ?	1
Que.2	What is the main objective of financial management?	1
Que.3	<p>“lotus fools ltd.” Is a multi national company. Mr.Raghav is its finance manager. He is making efforts to increase the market value of capital invested by the equity shareholders. He had already read in 10+2 Business Studies text books that it could be possible only when market price of share increases. And the market price of the share could increase only when he takes optimum investment decision, optimum financing decision and optimum dividend decision.He did the same and achieve success.</p> <p>Which objective of financial management has been referred to in the above paragraph.</p>	1
Que.4	Besides wealth maximisation , write any two other objectives of financial management	3
Que.5	Explain any two importance of financial management.	3

WORKSHEET 2

FINANCIAL DECISION AND CAPITAL STRUCTURE

Que.1	Name the decisions taken by the financial manager.	1
Que.2	A financial decision is taken to put capital of the company in different assets. What is the decision called ?	1
Que.3	A decision is taken to raise money for long term capital needs of the business from certain sources. What is this decision called ?	1
Que.4	A decision is taken to distribute a certain portion of the profit after tax among the shareholders. What is this decision called ?	1
Que.5	List the factors affecting the capital structure of a company .	3
Que.6	What is meant by Investment Decision? Explain any two factors which affect investment decision.	3
Que.7	What is meant by Financial planning ? Explain any two points which highlight its importance.	3

WORKSHEET 3
FINANCIAL DECISIONS AND CAPITAL STRUCTURE

Que.1	Canara bank wants to open a new branch of his bank. What is this decision called ?	1
Que.2	A decision is taken to distribute certain part of profit to shareholders after paying tax.What is this decision called ?	1
Que.3	Name two types of capital which are part of capital structure ?	1
Que.4	Which is considered the cheapest source of finance ?	1
Que.5	What is financial risk ?	1
Que.6	The market price of a company's shares is linked to the three basic financial decisions.Name these financial decisions. Explain any one of them.	3
Que.7	Give any two examples of owner's fund. Explain any one of them.	3

WORKSHEET 4
FIXED CAPITAL AND WORKING CAPITAL

Que.1	With which are working capital decisions concerned ?	1
Que.2	What are current assets ?	1
Que.3	Give any two examples of current assets ?	1
Que.4	What are current liabilities?	1
Que.5	Give any two examples of current liabilities.	1
Que.6	Give the concept of working capital.	1
Que.7	Explain any two factors affecting the requirement of working capital.	3
Que.8	Explain any two factors affecting the requirement of fixed capital.	3

Worksheet 5

Que.1	What is fixed capital ?	1
Que.2	What is working capital?	1
Que.3	How is working capital determined ?	1
Que.4	You are the finance manager of a newly established company. The directors have asked you to determine the amount of fixed capital requirement of the company.Explain any four factors that you will consider while determining the Fixed Capital requirement of the company.	3
Que.4	Manish is engaged in the business of garment manufacturing. Generally he sells his garments in Delhi. Identify the working capital requirement of Manish giving reasons in support of your answer. Also explain the factors affecting working capital.	3