

University of Mumbai  
Department of Commerce  
Sample questions in the subject of : Financial Management  
M.Com Part II Sem IV

1. Financial reporting helps organisation to raise \_\_\_\_\_.

1. Inventories
2. Fixed Assest
3. Capital
4. Investments

2. Rate of dividend on equity capital is \_\_\_\_\_.

1. Fixed
  2. Appreciation
  3. Fluctuating
- All of the above

3. Preference share capital may be

1. Cumulative
  2. Non Cumulative
  3. Redeemable
  4. All of the above
4. None of the above

4. The security which has controlling right is

1. Equity shares
2. Preference shares
3. Debentures
4. Public Deposits

1. No tax liability

5. Interest on Debenture has

1. Tax benefit

2. No tax benefits
3. Tax liability
4. No Tax Liability

6. The type of collateral security used for short term loans is

1. Inventory
2. Property
3. P & M
4. Debentures

7. Capital rationing is selection of investment proposal under \_\_\_\_\_.

1. Objective
2. Constraint
3. Subjective
4. None of the above

8. \_\_\_\_\_ sets upper and lower control limits of cash balance.

1. Miller Orr model
2. CPM Model
3. Fundamental Analysis
4. Technical Analysis

9. Excessive inventory creates a shortage of

1. Cash.
2. Bad Debts
3. sales
4. Stock

10. Re-scheduling of loans improves position.

1. liquidity
2. Solvency
3. Credibility
4. All of the above

11. Cash budget represents

1. Cash receipts
2. Cash payments
3. Cash receipts and payments
4. None of the above

12. The model which suggest that cash should be managed in the same way as inventory is

1. Baumol's model
2. Miller Orr model
3. Walter model
4. CAP model