

Centre for Distance and Online Education

Guidelines for formatting your assignment.

- Assignments must be typed in a **Microsoft Word Document** as per the following instructions:
 - The front page should consist of the learner's name in **CAPITAL LETTERS** along with their Roll Number, Program, Semester, Course Name and Code.
 - **Page Size:** A-4
 - **Margin:** 1-inch on all sides
 - **Font:** Times New Roman
 - **Font Size:** 12
 - **Alignment:** Justified.
- The total page limit **shall not exceed 12 pages**.

Please ensure that completed assignments are typed and formatted as per the guidelines and the soft copies are uploaded on or before the submission cut-off date.

NOTE: You are advised to stick to the timelines of submissions.

Guidelines for submitting your assignment.

- The document size should not exceed **2 MB**.
- The assignment response document should **NOT** contain colourful images or highlighted text content.
- If the learner submitted the wrong assignment or wants to resubmit, it can be done on or before the cut-off date. **ONLY the latest uploaded file will be considered for evaluation.**
- **Content that has been directly copied from the Internet/SLM and Assignments that have been copied and shared among students will be automatically rejected and disqualified.**

NOTE: Assignment submissions are accepted only in .pdf format which should be readable by OCR. Kindly do not upload scanned copies of assignments.

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Things to recheck before clicking that submit button.

- Upon successful submission of IA in LMS, you can verify using the preview tab the document submitted against each subject. In case the file submitted has been corrupted or the wrong document submitted, it will not be considered for evaluation.
- If your assignment submission file is on a pen drive, please copy the files to the system's local drive and then upload them on LMS.

NOTE: WE DO NOT ENCOURAGE HANDWRITTEN ANSWER SHEETS. THE USE OF AI TOOLS IS HIGHLY DISCOURAGED. ANY STUDENT FOUND USING THEM WILL BE PENALIZED.



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ASSIGNMENT

SESSION	FEBRUARY - MARCH 2024
PROGRAM	MASTER OF BUSINESS ADMINISTRATION (MBA)
SEMESTER	II
COURSE CODE & NAME	DMBA202 FINANCIAL MANAGEMENT
CREDITS	04
NUMBER OF ASSIGNMENTS & MARKS	02 30 MARKS EACH

Note: Answer all questions. Kindly note that answers for 10 marks questions should be approximately 400 - 450 words. Each question is followed by an evaluation scheme.

Q.No	Assignment Set – 1 Questions	Marks	Total Marks
1.	The consequences of “over-capitalization” are far more serious than “under capitalization”. Discuss the statement by elaborating on the causes and effects of over-capitalization and Undercapitalization.	5+5	10
2.	Zubi wants to invest in bonds in given alternative situations, as stated below. You are required to advise her in selecting the best option: Bond Price =Rs.500 Coupon rate= 8% Life of bond = 5 Years Redemption value = Rs.500 Rate of return = 10% Options: 1. Interest accrued Annually 2. Interest accrued Bi-Annually 3. Interest accrued Quarterly	3+3+3+1	10
3.	a) Differentiate between Operating and Financial Leverage. b) If you contribute Rs. 2,400 every year to a retirement account. Calculate what will be the future value of this annuity in 30 years if 7% is the annual rate of return.	5+5	10

Q.No	Assignment Set – 2 Questions	Marks	Total Marks
4.	Do you think that different factors affecting capital structure decisions will be viewed differently by different companies? Support your answer with suitable examples.	10	10



Centre for Distance and Online Education

5.	<p>You are required to prepare a statement showing the working capital required to finance the level of activity of 18000 units per year from the following information: -</p> <table><tr><td>Particulars</td><td>Rs.</td></tr><tr><td>Raw material per unit</td><td>12</td></tr><tr><td>Direct Labor per Unit</td><td>3</td></tr><tr><td>Overheads per unit</td><td>9</td></tr><tr><td>Total Cost per unit</td><td>24</td></tr><tr><td>Profit per unit</td><td>6</td></tr><tr><td>Selling price per unit</td><td>30</td></tr></table> <p>Additional Information:</p> <ol style="list-style-type: none">1. Raw material is in stock on average for 2 months2. Materials are in process on an average for half a month3. Finished goods are in stock on an average for two months4. Credit allowed by creditors is two months in respect of raw materials supplied.5. Credit allowed to debtors is three months. Debtors are calculated on the selling price.6. Lag in payment of wages in half a month. Cash on hand and at the bank is expected to be Rs.70007. You are informed that all activities are evenly spread out during the year.	Particulars	Rs.	Raw material per unit	12	Direct Labor per Unit	3	Overheads per unit	9	Total Cost per unit	24	Profit per unit	6	Selling price per unit	30		10
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6.	<p>a) A manufacturing company places a semi-annual order of 24,000 units at a price of Rs.20 per unit. Its carrying cost is 15% and the order cost is Rs.12 per order. What is the most economical order quantity? And how many orders need to be placed?</p> <p>b) Differentiate between hard and soft capital rationing.</p>	2.5+2.5+5	10														