

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: MAY - 2026
SEMESTER - III

Sub.: Advance Financial Management (MFM304/MBA24-FM303)

Date : 30/05/2026

Total Marks : 60

Time: 10.00am to 12.30pm

Instructions: 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

- Q. 1. Write Short notes on (Any Three) (15)**
1. Discuss the Golden Rule between Risk and Returns in Finance along with examples.
 2. Discuss the term Effective Utilization of Funds for any Business Activity.
 3. Explain the term Interest is a charge against Profits.
 4. Discuss the term Capital Budgeting.
- Q. 2. Answer in detail (Any One) (10)**
1. Explain the calculation of Cost of Debt.
 2. Explain the 3 Approaches to find the Cost of Equity.
- Q. 3. Answer in detail (Any One) (10)**
1. Importance of Financial Management in today's scenario.
 2. Discuss the term Profit Maximization as an objective of Chief Financial Officer.
- Q. 4. Answer in detail (Any One) (10)**
1. Mention some of the Short-Term sources of Financing.
 2. Explain the relationship between Risk and Return with appropriate examples.
- Q. 5. Tata Consultancy Services is currently in its expansion phase and is exploring various financing alternatives to support its growth plans. The Board of Directors holds differing views on the most suitable funding option among those available. One prominent option under consideration is raising funds through a term loan from a financial institution. This method of financing would provide the company with a structured repayment schedule and a fixed interest obligation, enabling better financial planning and stability. By opting for term loan funding, Tata Consultancy Services can access substantial capital while retaining ownership control and aligning its repayment commitments with long-term expansion objectives. (15)**

You are required to find for them about the following financing option:

1) If Tata Consultancy Services borrowed Rs. 8,00,00,000/- on 1.4.2020, repayable in 4 equal annual installments commencing from 1.4.2022, along with 15% interest, to be paid at the end of each year.

2) Find the cash flow obligations of TCS till the loan is repaid.