SLR-BO-34

Seat No.	

Set P

B.B.A. (Semester - VI) (New) (CBCS) Examination Oct/Nov-2019
FINANCIAL MANAGEMENT – II

Day & Date: Monday, 11-11-2019 Max. Marks: 70
Time: 11:30 AM To 02:00 PM

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

Q.1 Fill in the blanks by choosing correct alternatives given below. **14**

1) Earnings per Share X Price Earnings Ratio = __________.
   a) Dividend per share b) Growth
   c) Market price per share d) Premium

2) If an equity share of the company is currently selling a for Rs. 50. The company expects to pay Rs 6 per share at the end of current year. Dividend per share expected to grow @ 8% p.a, then the Ke = _______%.
   a) 10 b) 12
   c) 15 d) 20

3) IF MPS Rs.50, EPS Rs. 10, Then P/E Ratio is __________.
   a) 5% b) 5 times
   c) 20% d) 20 times

4) If fixed asst turnover ratio is 2.5 times, Fixed assets Rs. 2,50,000, then sales will be Rs. __________.
   a) 1,00,000 b) 10,00,000
   c) 6,25,000 d) 62,500

5) Traditionally a quick ratio of ______ is considered to be a satisfactory ratio.
   a) 2:1 b) 3:1
   c) 1:1 c) Any figure

6) Debenture is ________ capital.
   a) owned b) share
   c) borrowed d) working

7) Preliminary expenses, underwriting commission, discount on issue of shares etc. are the examples of ________ assets and losses.
   a) fixed b) current
   c) liquid d) fictitious

8) Proprietors fund is also called as _________.
   a) net worth b) shareholders fund
   c) owner's equity d) all of these

9) While determining NPV of Capital project, the amount of working capital is _______.
   a) cash inflow b) Cash out flow
   c) both cash inflow & outflow d) None of these

10) At _________ the net present value is zero.
   a) ARR b) IRR
   c) NPV d) CFAT

11) Sales minus cost of goods sold = __________.
   a) Contribution b) Net profit
   c) Gross profit d) Closing stock

12) If average debt collection period is 73 days, credit sales Rs. 12,00,000 , Bills receivable Rs 40,000. Then debtors amounts to Rs. _________.
   a) 3000 b) 1,50,000
   c) 2,40,000 d) 2,00,000

13) Interest (1-tax rate)/ net proceeds of debentures __________.
   a) K_d b) K_e
   c) K_p d) K_o

14) $[D_1/P_0] + G =$ _________.
   a) K_d b) K_e
   c) K_p d) K_o

Q.2 Write short notes on **14**

A) Methods of determining profitability of capital projects

B) Classification of Ratios

Q.3 A) **07**

Particulars	**Model X**	**Model Y**
Cost of Model Rs.	5,00,000	7,00,000
Life in years	5	6
Annual CFAT Rs.	1,50,000	1,80,000

Determine the Payback period and average rate of return on investment and comments.

B) Gross Profit Ratio 25% **07**
Gross Profit Rs. 4,00,000
Stock Velocity - 5 times
Closing Stock was Rs. 10,000 more than Opening Stock
Find out sales and purchases.

Q.4 **14**

Current Ratio	4.5
Quick Ratio	3.0
Working Capital Rs.	4,90,000
Fixed assets To Net worth	0.75
Bank overdraft Rs.	25,000
Reserves and surplus to share capital	0.25

There were no long term loans and fictitious assets.
Prepare Balance Sheet with as many details as possible.

OR

Q.4 State significance and limitations of Ratio analysis. **14**

Q.5 State factors determining the dividend policy. **14**

OR

Q.5 X Ltd is desirous to purchase a printing machine, for that purpose two alternatives are available, particulars of which are as follows: **14**

Particulars	**CANON**	**SHARP**
Cost of machine Rs	3,00,000	4,00,000
Life in Years	4	4
<u>Profit after tax but before Depreciation</u>		
1st year	1,00,000	1,80,000
2nd year	1,25,000	1,50,000
3rd year	1,50,000	1,20,000
4th year	1,75,000	1,00,000

Evaluate the alternatives using
a) Pay back period
b) Net Present Value at 10% discounting rate
c) Average rate of return