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Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 37122 Roll No.

Integrated MBA Examination, 2024-25

(Odd Semester)

FINANCIAL ANALYSIS & DECISION

Time : Three Hours] *[Maximum Marks : 60*

Note :– Attempt all questions.

SECTION–A

1. Attempt all parts of the following : 8×1=8

(a) Define quick ratio.

(b) Write any two names of activity ratio.

(c) What do you mean by risk?

(d) Write two benefits of a project.

(e) Define retained income.

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(f) What is dividend payout ratio?

(g) What is financial services?

(h) Write two benefits of commercial paper.

SECTION – B

2. Attempt any two parts of the following : 2×6=12

(a) Following are the summarised balance sheets of 'X' Limited as on 31st December, 2022 and 2023. You are required to prepare a fund flow statement for the year ended 31st December, 2023 :

Liabilities	2022	2023
Share capital	1,00,000	1,25,000
General reserve	25,000	30,000
Profit & loss account	15,250	15,300
Bank loan (Long-term)	35,000	67,600
Creditors	75,000	–
Provisions for tax	15,000	17,500
Total	**2,65,250**	**2,65,250**

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Assets	2022	2023
Goodwill	–	2,500
Buildings	1,00,000	95,000
Plant	75,000	84,500
Stock	50,000	37,000
Debtors	40,000	32,100
Bank	–	4,000
Cash	250	300
Total	**2,65,250**	**2,65,250**

(b) What do you understand by non-financial project? Describe its role and importance in project decision making.

(c) Explain the various types of policies determining the dividend level.

(d) What do you understand by merchant banking? Discuss its role and functions in detail.

SECTION–C

Note :– Attempt all questions. Attempt any two parts from each questions. 8×5=40

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3. (a) What do you mean by primary market? Discuss the various types of issues in the primary market.

(b) From the given balance sheet calcualte :

(i) Debt-equity ratio

(ii) Current ratio

Liabilities	Amount (₹)
Share capital	1,00,000
Reserve	20,000
Profit & loss account	30,000
Secured loans	80,000
Creditors	50,000
Provisions for taxation	20,000
Total	**3,00,000**

Assets	Amount (₹)
Goodwill	60,000
Plant & machinery	1,40,000
Stock	30,000
Debtors	30,000
Advances	10,000
Cash	30,000
Total	**3,00,000**

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(c) What do you mean by cashflow analysis? Differenciate between cashflow analysis and fund flow analysis.

4. (a) What do you understand by project feasibility study? Describe the different types of project feasibility study.

(b) Explain the concept of financial capital investment. Shows how financial capital investment differ with physical capital investment.

(c) Describe the various methods of sensitivity analysis. Discuss the advantages and disadvantages of sensitivity analysis.

5. (a) Explain the features and functions of Gordon model of dividend policy.

(b) Following data are available for ABC Limited :

EPS	₹ 40
Payout ratio	50%
Price-earning ratio (P/E)	20
Internal rate of return	15%

Using Walter model, calculate the share price.

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(c) Describe the various factors who directly and indirectly influence the dividend decisions.

6. (a) "Venture capital is a form of private equity and a type of financing for start-up companies and small business with long-term growth potential". Explain.

(b) Explain the concept of factoring. Discuss how it works with the help of an example?

(c) Explain the role of commercial paper in India. Discuss the advantages and disadvantages of commercial paper.

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