

S.No. : 21

BBAL 2502

No. of Printed Pages : 06

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

PAPER ID : 29152

Roll
No.

--	--	--	--	--	--	--	--	--	--

BBA LLB (Integrated)

Examination 2019-2020

(Odd Semester)

FINANCIAL ANALYSIS & DECISION MAKING

Time : 3 Hours]

[Maximum Marks : 60

Note : Attempt all questions.

SECTION – A

Note : Attempt all parts of the following : $8 \times 1 = 8$

- (a) What is meant by Fund Flow Statement?
- (b) What is Operating Ratio?
- (c) What do you understand by "Money Market"?
- (d) Define OTC Market.
- (e) Write a short notes on Pay Back Period Method.

[P. T. O.

(f) What is ARR?

(g) State the Garden's formula

(h) What is Factoring?

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$

(a) The Balance Sheet of R.G. Ltd. as at 31st March, 2010 was as under :

<u>Liabilities</u>	<u>Amount</u>	<u>Assets</u>	<u>Amount</u>
Share capital	2,00,000	Goodwill	1,20,000
Reserve & Surplus	58,000	Plant	1,50,000
Debentures	1,00,000	Stock	80,000
Creditor	40,000	Debtor	45,000
Bills payable	20,000	cash in hand	17,000
Current liabilities	2,000	Cash at Bank	8,000
	4,20,000		4,20,000

You are required to calculate the following -

- (a) Current Ratio
 - (b) Quick Ratio
 - (c) Inventory Turnover Ratio
 - (d) Average Collection Period.
- (b) Describe the procedure of making a fund flow statement.
- (c) What do you understand by financing project? Discuss some long term sources of finances of a project.
- (d) Explain the relevance concept of dividend policy. Describe the Walter's Formula regarding Dividend Policy.

SECTION - C

Note : Attempt all questions. Attempt any two parts from each question. $5 \times 8 = 40$

3. (a) Why are the activity ratios calculated? Do calculations of current assets turn over ratio indicate their quality? Explain.

[P. T. O.]

(b) From the following balance sheet of XYZ Ltd.
Prepare cash flow statement :

Liabilities	2011	2012
Share Capital	1,80,000	2,00,000
Depreciation Reserve	60,000	62,000
Profit & Loss A/c	45,000	72,000
Debenture	60,000	54,000
Creditor	35,000	32,000
	3,80,000	4,20,000
Assets :		
Machinery	2,10,000	2,80,000
Debtor	96,000	83,000
Stock	60,000	40,000
Discount on issue of share	3,000	2,000
Bank Balance	11,000	15,000
	3,80,000	4,20,000

(c) Define the term 'Cash Flow'. Explain the object of cash flow analysis.

4. (a) How Money Market is different from Capital Market? Explain.

(b) What is Book Building process and its market place?

(c) Explain the function of Financial Market.

5. (a) Geeta Ltd. is implementing a project with an initial capital outlay of ₹ 7,600. Its cash inflow are as follows :

Year	1	2	3	4
₹	6,000	2,000	1,000	5,000

The expected rate of return on capital invested is 12% P.a. calculate the discounted pay back period of the project.

(b) Present a schematic diagram of the feasibility study.

(c) Discuss the various type of Debentures.

[P. T. O.]

6. (a) What is Dividend Policy? Explain the various factor determining the dividend policy of company.
- (b) How does factoring affect the factoring client's customer?
- (c) Explain the various function of Commercial Bank.

(a) Geeta Ltd. is implementing a project with an initial capital outlay of ₹ 7,600. Its cash inflow are as follows :

Year	1	2	3	4
₹	6,000	2,000	1,000	2,000

The expected rate of return on capital invested is 12% P.A. calculated the discounted pay back period of the project.

(b) Present a schematic diagram of the feasibility study.

(c) Discuss the various type of Debentures.