

(c) What are the various factors influencing capital Expenditure Decisions?

(d) Explain the various reasons for time preference shares?

(e) What do you understand by preference shares?

(f) What do you understand by a Merchant Banker?

5. Attempt any two parts of the following : $10 \times 2 = 20$

(a) 'Project appraisal may be defined as a detailed evaluation of the project to determine the technical feasibility economic necessity, financial viability of the project and managerial competence required for its successful operation.' Comment.

(b) Differentiate between Debenture equity and preference shares.

(c) What are the essential features of Gordon's approach?

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

PAPER ID : 9129/	Roll No.																		
		9330																	

Int. LL.B Examination 2016-2017

(Sixth Semester)

FINANCIAL ANALYSIS AND DECISION

MAKING

Time : 3 Hours]

[Maximum Marks : 100

Note :- Attempt all questions.

1. Attempt any four parts of the following : $5 \times 4 = 20$

(a) Define the term 'Blue Chip Stock'.

(b) Explain in detail the Cost Benefit Analysis.

(c) Explain the various techniques used in evaluation of capital investment decisions.

(d) Write short notes on Net Present value.

(e) Write short notes on convertible debentures.

(f) Explain briefly the modi Gilliani method?

2. Attempt any two parts of the following : $10 \times 2 = 20$

- (a) What are the essentials of 'Waltir's Dividend Model'?
- (b) What should be the proper goal of Financial Management-Profit Maximisation or Wealth Maximisation?
- (c) Following information is available from the books of XYZ company Ltd:

Particulars	2008	2009
Profit made during the year	--	2,50,000
Income received in advance	500	600
Prepaid expenses	1,600	1,400
Debtors	80,000	95,000
Bill Receivables	25,000	20,000
Creditors	45,000	40,000
Bills Payable	13,000	15,000
Outstanding expenses	2,500	2,000
Accrud Income	1,500	1,200

Calculate cash flow from operation.

3. Attempt any two parts of the following : $10 \times 2 = 20$
- (a) Distinguish between operating Ratio and turnover Ratio.
- (b) What do you understand by Risk? Explain the different types of Risks.
- (c) Returns on securities A and B are given below :

PROBABILITY	SECURITY A	SECURITY B
0.5	4	0
0.4	2	3
0.1	0	3

Give the security of your preference. The security has to be selected on the basis of Risk and Return.

4. Attempt any four parts of the following : $5 \times 4 = 20$
- (a) Write short notes on convertible debentures.
- (b) What do you understand by Time Value of Money?