

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

PAPER ID : 9129/
9330

Roll
No.

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Int LLB Examination 2015 - 2016

(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 : $4 \times 5 = 20$
 - (a) What are the different types of financial statement analysis?
 - (b) Briefly describe the profitability ratio.
 - (c) What are the sources and application of fund?
 - (d) What is cash flow statement and how does it differ from a cash budget?
 - (e) Distinguish between primary market and secondary market.
 - (f) Write short notes on convertible securities.

[P. T. O.

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

- (a) What do you understand by Detailed Project Report (DPR)? What are its contents?
- (b) Describe “Technical appraisal of project.”
- (c) From the following project detail calculate the sensitivity of the :
 - (i) Project cost
 - (ii) Annual cash flow
 - (iii) Cost of capital

Which variable is most sensitive?

Project cost Rs. 12,000

Annual cash flow Rs. 4,500

Life of project 4 years

Cost of capital 14%

The annuity factor at 14% for 4 years is 2.9137

and at 18% for 4 years is 2.6667.

3. Attempt any two parts of the following : $2 \times 10 = 20$
- (a) What are the important factors to be considered in planning the capital structure of a company?
 - (b) What is feasibility study? What are the main objectives of conducting a pre-feasibility study?
 - (c) What are reasons for project failure?
4. Attempt any four parts of the following : $4 \times 5 = 20$
- (a) How does dividend affect market value of equity share?
 - (b) Explain the factors which determine the dividend policy of a company.
 - (c) How do you calculate net present value of a project and what are its merit and demerits?
 - (d) Explain the M. M. hypothesis for corporate dividend policy.
 - (e) Discuss any five factors to be considered in choice of investment.
 - (f) Briefly discuss about the risk attitude of investors.

[P. T. O.]

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

- (a) Discuss the role of Merchant Bankers in public issue.
- (b) Distinguish between “commercial paper” and “promissory note.”
- (c) Andy company’s equity shares are being traded in the market at Rs. 54 per share with a price earning ratio of 9. The company’s dividend payout is 72%. It has 1,00,000 equity share of Rs. 10 each and no preference share. Book value per share is Rs. 42.

Calculate :

- (i) Earning per share
- (ii) Net income
- (iii) Dividend yield
- (iv) Return on equity
