

Seat No.	
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B.B.A. (Part - III) (Semester - VI) Examination, November - 2016
FINANCIAL MANAGEMENT (Paper - II)
Sub. Code : 43965

Day and Date : Friday, 11 - 11 - 2016
Time : 3.00 p.m. to 5.00 p.m.

Total Marks : 40

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

Q1) The Balancesheet of shri Ram Ltd. is provided to you: [14]

Balance sheet of Shri Ram Ltd. (31-3-2014)

Capital & liabilities	Rs.	Assets & properties	Rs.
Equity share capital	80,000	Intangible Assets	48,000
Reserve and surplus	40,000	Fixed Assets	1,12,000
Mortgage	64,000	Investments short term	8,000
Bank overdraft	8,000	Stock	24,000
Creditors	32,000	Debtors	24,000
Provision for Tax	16,000	Bank Balance	24,000
Total	2,40,000	Total	2,40,000

Calculate the following ratios:-

- | | |
|----------------------|------------------|
| a) Current ratio | b) Liquid Ratio |
| c) Proprietary Ratio | d) Gearing Ratio |

OR

What do you mean by capital budgeting decision? Explain the methods of appraising long term investment proposals. [14]

Q2) Write short answers (Any Two)

- a) A company issues 10% irredeemable preference shares. The nominal value of each share is Rs. 100. You are required to calculate the cost of preference share capital in each of the following cases:-
 - i) When issued at 5% discount.
 - ii) When issued at 5% premium.
- b) What do you mean by Ratio Analysis? Write the importance of Ratio Analysis.
- c) Write the importance of capital budgeting decisions.
- d) What is capital structure? Explain net operating income approach.

Q3) Write Short Notes (Any Two)**[10]**

- a) Trend analysis.
- b) Specific cost of capital.
- c) Common size statement.
- d) Overall cost of capital.

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