

Code: 12E01406

MBA (Finance) IV Semester Supplementary Examinations November/December 2017

FINANCIAL ANALYSIS, PLANNING & CONTROL

(For students admitted in 2014 & 2015 only)

Time: 3 hours

Max. Marks: 60

Answer any FIVE questions
All questions carry equal marks

- 1 Differentiate between horizontal and vertical analysis and explain which one is better.
- 2 From the following balance sheet of Mr. XYZ prepare a schedule of changes in working capital and funds flow statement.

Liabilities	2015	2016	Assets	2015	2016
Capital	63,000	1,00,000	Cash	15,000	20,000
Long-term borrowings	50,000	60,000	Debtors	30,000	28,000
Trade – creditors	42,000	39,000	Stock-in-trade	55,000	72,000
Bank overdraft	35,000	25,000	Land & Building	80,000	1,00,000
Outstanding expenses	5,000	6,000	furniture	15,000	10,000
	1,95,000	2,30,000		1,95,000	2,30,000

- 3 From the following information calculate the cash from operation:
Net profit for the year Rs 30,000/-
Total sales of Rs 60,000/-
Debtors outstanding beginning of the year Rs 20,000/-
Debtors outstanding end of the year Rs 15,000/-.

- 4 The following is the balance sheet of M/S Charan & co Ltd. as on 31-12-2016.

Liabilities	Amount	Assets	Amount
Equity share capital	3,00,000	Fixed assets	6,59,430
Preference share capital	3,00,000	Depreciation	
Reserves & surplus	2,53,500	Stock	1,48,380
Creditors	48,000	Cost & bank balances	78,060
Bills payable	19,500	Debtors	35,130
	9,21,000		9,21,000

Ascertain the following ratios:

- (i) Current ratio. (ii) Liquid ratio. (iii) Debt-equity ratio. (iv) Proprietary ratio. (v) Solvency ratio. (vi) Capital gearing ratio.
- 5 Explain Ohlson's and Shumway's method valuation for estimating default probability.
- 6 (a) Explain Bond valuation and common stock valuation.
(b) Explain financial leverage and its effect on EPS.

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- 7 (a) Explain portfolio analysis and its application.
(b) What is risk estimation? Explain.
- 8 Explain:
(a) Capital market line.
(b) Efficient market hypothesis.

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