

Roll No.

Total No. of Pages : 02

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M.Sc.(Garment Manufacturing Technology) (2015 to 2017) (Sem.-2)

**FINANCIAL MANAGEMENT**

Subject Code : MSc.GMT/FMM/FM-202

Paper ID : [A2582]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTIONS-B consists of THREE Sub-sections : Units-I, II & III.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any FOUR questions from SECTION-B, atleast ONE question from each Sub-section.

**SECTION-A**

1. Write notes on the followings :

- i) Absolute Liquid Asset
- ii) Efficiency Ratio
- iii) Operating profit
- iv) Debt Service Coverage Ratio
- v) Income Statement
- vi) Common Size Statements
- vii) Shareholders' Funds
- viii) Financial Analysis
- ix) Gross Profit
- x) Debt

## SECTION-B

### Unit-I

2. Discuss in detail any two tools used to analyze financial statements. Also discuss the strength and weakness of these tools.
3. “Comparative Statements are complex tools of financial statement analysis”. Give your comments. Also discuss the process of preparation of Comparative Income Statement with the help an example.

### Unit-II

4. What do you mean by Activity ratio? Also discuss the various types of activity ratios.
5. What do you mean by Ratio? Also discuss the objectives of ratio analysis.

### Unit-III

6. From the following details, you are required to find out :
  - i) Gross profit; ii) Purchases; iii) Opening Stock; iv) Closing Stock; v) Debtors; vi) Creditors; vii) Fixed Assets
  - (1) Stock Velocity = 6
  - (2) Capital Turnover Ratio = 2
  - (3) Fixed Turnover Ratio = 4
  - (4) Gross Profit Turnover Ratio = 20%
  - (5) Debtor's Velocity = 2 months
  - (6) Creditor's Velocity = 73 days

The Gross Profit was Rs. 60,000. Reserve and surplus amount to Rs. 20,000. Closing stock was Rs. 5,000 in excess on opening stock.
7. What do you mean by Profitability ratio? Also discuss the various ratios which are used to assess the profitability of a business.