

74PM
(75/2)

(2½ Hours)

(Total Marks : 75)

Please check whether you have got the right question paper.

- N.B. : 1. All questions are compulsory
2. Use of simple calculator is allowed

Q1. A. True or False (any eight)

(08)

1. A Strategy is a course of action, to achieve specific objective of the company
2. Zero based budget refers to the work of budgeting starts from level zero
3. Net operating income propounded by miller
4. Equity share is one of the long term finance sources
5. Equity capital does of have fixed rate of dividend
6. Business plan should be factual
7. Liquidity ratio doesnot show liquidity
8. In MBI inside party buys business
9. PPP is collaboration between public and private sectors
10. Infrastructure finance is less capital intensive

Q1. B. Match the following (any seven)

(07)

Column A	Column B
1. Planning	a) Creditorship Security
2. TQM	b) Equity Capital
3. Debenture	c) WACC
4. Risk Capital	d) Quality Awareness
5. Composite cost	e) Basic Function
6. Credit war	f) An Intangible asset
7. Unsystematic Risk	g) NAV
8. Goodwill	h) EPS
9. NAV	i) Micro Level
10. EPS	j) Worth loss

Q2. A. Discuss the significance of strategy in financial decision

(08)

Q2 B. What are the different types of strategies for shareholder Discuss briefly

(07)

OR

Q2. C. Explain

(15)

1. Value Chain Analysis
2. Zero based budgeting

Q3. A. Discuss various sources of capital

(08)

Q3. B. Determine weighted average cost of capital

(07)

Sources	Amount (Rs.)	Cost
Debt	6, 00,000	10%
Equity Share	5, 00,000	12%
Preference Share	4, 00,000	13%

OR

Q3. A. Write a note factors of capital structure

(08)

Q3. B. Determine weighted average cost of capital using a. Book value b. Market value

(07)

Sources	Book Value	Market Value	Cost
Debt	5, 00,000	4, 20, 000	5%
Preference Shares	2, 00, 000	1, 50, 000	8%
Equity Share	6, 00, 000	8, 00, 000	10%

Q4. A. What is company valuation? What are the needs of valuation. Explain in brief (08)

Q4. B. Calculate value of business from the following information (07)

Share Capital (RS. 100) 60, 00, 000

MPS 200

Cash at Bank 12 00, 000

Debtors 5, 00, 000

Stock 4, 00, 000

Creditors 3, 00, 000

Bills Payables 2,50, 000

Bank Overdraft 2, 00, 000

OR

Q4. A. Write a note on Management Buy out (08)

Q4. B. From the following information calculate EPS for ABC Ltd. the companies (07)

Sources	ABC Ltd.
Equity share capital (RS. 10 each)	6, 00, 000
10% Preference share capital	5, 00, 000
8% Debentures	3, 00, 000
EBIT	3, 50, 000

Tax 40 %

Q5 A. Explain the meaning scope and need for due diligence (15)

OR

Q5. Write short note on (any three) (15)

1. Management Buy in
2. Credit risk
3. Quality costing
4. Life Cycle costing
5. Value based hedging