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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION : DECEMBER - 2022
SEMESTER - III
Sub: Strategic Financial Management (MFM-304)

Date : 24/12/2022

Total marks: 60

Time: 10.00 am to 12.30 pm

SECTION – I

Q.1 Fill in the blanks. (5)

1. Current Assets purchased for a business result in _____.
a) improving liquidity position by generating enough cash immediately
b) earning a particular rate of return over its useful life
c) both of above
d) none of above
2. _____ is used to find efficiency of using Fixed Assets.
a) Fixed Asset Turnover Ratio
b) Capital Turnover Ratio
c) Quick Ratio
d) None of above
3. _____ is used to find very short term liquidity position of firm.
a) Debt Equity Ratio
b) Current Ratio
c) Quick Ratio
d) None of above
4. _____ means Equity of a company.
a) Equity Share Capital
b) Equity Share Capital + Reserves & Surplus
c) Equity Share Capital + Share Premium
d) None of above
5. _____ are interested in liquidation of a company.
a) Debenture holders
b) Bankers who have financed the company
c) Equity Shareholders
d) None of above

Q.2 Answer the following. (Any Two) (20)

1. Explain the meaning and importance of Gross Profit Ratio & Net Profit Ratio.
2. Explain the meaning and importance of Debt Equity Ratio and Operating Ratio.
3. Explain the meaning and importance of Return on Shareholders Capital Employed.
4. Explain the meaning and importance of Creditors Turnover Ratio & Creditors Payment Period.

Q.3 Write notes on. (Any Two) (10)

1. Margin of Safety in Marginal Costing.
2. Variable Costs and Fixed Costs in Marginal Costing.
3. Profit Volume Ratio in Marginal Costing.
4. Operating Profit in Financial Management.

SECTION – II

Q.4 Case Study (15)

Tesla Manufacturers Ltd. has supplied you the following information in respect of one of its products :

- (a) Total Fixed Costs Rs. 18,000
- (b) Total Variable Costs Rs. 30,000
- (c) Total Sales Rs. 60,000
- (d) Units Sold 20,000

Find out

- (a) Contribution Per Unit
- (b) Break Even Point
- (c) Margin of Safety
- (d) Profit
- (e) Volume of Sales to earn a Profit of Rs. 24,000

Q.5 Answer the following. (10)

- a) Explain why Financial Leverage is also a risky affair.

OR

- b) Discuss the 3 main branches in which ratios can be classified.
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