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MASTER OF BUSINESS ADMINISTRATION (M.B.A.) EXAMINATION: DECEMBER - 2023

SEMESTER - IV

Sub: Financial Decision Analysis (MFM406)

Date:	28/12/2023	Total marks: 60	Time: 10.00am to 12.30pm			
		SECTION – I				
Q. 1.	Fill in the blanks.			(5)		
1.	is a snapshot of the f	inancial condition of the	firm at a particular time.			
	a) Balance Sheet	c) None of the given	1			
	b) Income Statement	d) Bills Receivable				
2.	higher production capacity is					
	a)Investment Decision	b) Revenue Decision				
	c) Operational Decision	d) None of the given				
3.		asic objective of Financial Management is is				
	a) Maximization of profit	b) Maximization of	share holder's wealth			
	c) Ensuring Financial discipline the firm	in d) None of the given				
4.	Long term finance is required fo a) Fixed Assets	rb) Non Performing A	ssets			
	c) Current Assets	d) None of the given				
5.	is the minimum required rate of earnings or the cut off rate of capital expenditure.					
	a) Cost of Capital	b) Working Capital				
	c) Long Term Capital	d) a & c both				
Q. 2.	Answer the following. (Any Two)		((20)		
1.	Explain the role of Financial Information System in decision making.					
2.	How decision tree analysis is useful to a finance manager?					
3.	·					
3. 4.	taxation considered in 'Make or Buy Decision'? Justify your answer. hat are the objectives and importance of financial analysis?					
4.	what are the objectives and import	ance of finalicial analysis:				
Q. 3.	Write notes on. (Any Two)		((10)		
1.	Objectives of Financial Analysis					
2.	Factors influencing Financial Decision					
3.	Cost of Uncertainty					
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SECTION - II

Q. 4. Case Study (15)

The following Trading and Profit and Loss Account of Flawless Ltd. for the year 31/3/2023 is given below:

Particulars	Amt. Rs.	Particulars	Amt. Rs.
To Opening Stock	1,52,500	By Sales	10,00,000
To Purchases	6,30,500	By Closing Stock	1,97,000
To Carriage and Freight	4,000		
To Wages	10,000		
To Gross Profit b/d	4,00,000		
	11,97,000		11,97,000
To Administration expenses	2,02,000	By Gross Profit b/d	4,00,000
To Selling and Dist. expenses	24,000	By Interest on Securities	3,000
To Non-operating expenses	4,000	By Dividend on shares	7,500
To Financial Expenses	14,000	By Profit on sale of shares	1,500
To Net Profit c/d	1,68,000		
	4,12,000		4,12,000

Calculate the following ratios and give significance of them

- 1. Gross Profit Ratio
- 2. Operating Expenses Ratio
- 3. Operating Profit Ratio

- 4. Net Profit Ratio
- 5. Stock Turnover Ratio

Q. 5. Answer the following:

(10)

a) "Vertical analysis refers to the study of relationship of the various items in the financial statement of one accounting period". Do you agree with the statement? Give your justification to the answer.

OR

b) Explain asset allocation strategies in evolving market.