

SVKM's NMIMS
School of Distance Learning

Programme: PGDBM/PGDFM

Academic year: 2012 – 2013

Subject: Financial Analysis & Management

Semester: III

Course New

Marks 70

Date: 11.07.2012

Time: 3.00 p.m. to 6.00 p.m.

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

NB:

1. Answer to each new question to be started on a fresh page
2. Figures in brackets indicates full marks

Q.1 Attempt any 2 out of 3:

(Marks: 2X5= 10)

- a) Explain the Inventory management techniques.
- b) Explain the factors that determine cash needs.
- c) Limitations of financial statement analysis

Q.2 Write short notes. Attempt any 2 out of 5

(Marks: 2X5= 10)

- a) Baumol Model
- b) Factoring
- c) Miller-Orr Model
- d) Du Pont Analysis
- e) Commercial Paper

Q.3 Attempt any 3 out of 5

(Marks: 3X10 = 30)

a) Dolly Industries sells its products through widely dispersed distributors in Eastern India. It currently takes on an average 8 days for cash receipt cheques to become available to the firm from the day they are mailed. The firm is contemplating the institution of concentration banking to reduce this period. It is estimated that such a system would reduce the collection period of accounts receivables by 3 days. The daily cheque receipts currently average Rs 10,00,000. The concentration banking will charge Rs 1,50,000 annually and the cost of funds is 15 percent.

- i. Advise Dolly whether it should introduce concentration banking system.

