

**SVKM's NMIMS**  
**NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION**

Programme: PGD<sup>BM</sup>/PGDFM

Examination: December 2016  
Subject: Financial Analysis & Management

Semester: III  
Course : New  
Marks : 70  
Time: 3.00 p.m. to 6.00 p.m.

Date: 13.12.2016

**Instructions:**

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

**Q.1) Attempt any 2 out of 4**

**(Marks: 2X5=10)**

- a) What do you mean Shareholders wealth?
- b) Discuss the limitations of financial statement analysis.
- c) What are causes leading to change in working capital management requirement of an organization?
- d) Discuss the motives for holding cash.

**Q.2) Write short notes on (2 out of 5)**

**(Marks: 2X5=10)**

- a) Miller or Cash Model
- b) Cash cycle
- c) Profit maximization
- d) Benefits of credit sales
- e) ABC system of inventory management.

**Q.3) Attempt any 3 out of 5**

**(Marks: 3X10=30)**

- a) ABC Ltd requires 45000 units quarterly costing ₹ 4 per unit. The cost of purchase order is ₹ 400 and the inventory carrying cost is 20% per year and storage cost 5% pa. What is the EOQ if there is no discount. What should the firm do if supplier offers discount of 2% on ordering quantity of 16000units at a time.

b) From the following information of Harsh Ltd. prepare the estimation of working capital statement.

<u>Stock of</u>	
Raw materials	20,000
Work-in-progress	15,000
Finished goods	30,000
Debtors	25,000
Creditors	20,000
Advance income received	5,000

Cash balance is 50% of debtors.

Margin of safety @ 10% on net working capital.

- c) Explain the characteristics of Trade Credit.
- d) Explain the meaning and uses of cash flow statements.
- e) What are the major considerations before buying a security?

**Q.4) Attempt both the questions**

**(Marks: 2X10=20)**

- a) Discuss the various cash management techniques.
- b) Discuss the three approaches for deciding upon financing mix of working capital.