

Time : 2 hours

Marks : 60

- NOTE :** 1) All questions are compulsory.  
 2) Figures to the right indicate full marks.  
 3) Use of calculator is allowed.  
 4) Draw diagrams if required.

**Q. 1 Explain the terms.**

(15)

- |                         |                            |
|-------------------------|----------------------------|
| 1) Treasury Bills       | 2) Portfolio               |
| 3) Beta                 | 4) Investment              |
| 5) Net Present Value    | 6) Internal Rate of Return |
| 7) Profitability Ratios | 8) EPS                     |

**Q.2** From the following data of Zig-Zag Ltd. Find out the following ratios.

(15)

Balance sheet as at 31st December, 2009

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	200000	Land	200000
Preference Capital	500000	Plant	190000
General Reserve	80000	Furniture	100000
Profit & Loss A/c	10000	Goodwill	25000
Debentures	100000	Machinery	75000
Creditors	300000	Stock	350000
Proposed dividend	25000	Debtors	250000
Outstanding Expenses	5000	Cash in Hand	15000
Tax provision	20000	Cash at Bank	30000
		Preliminary Expenses	5000
	<b>1240000</b>		<b>1240000</b>

Net Profit before tax 25000/-

Income Tax Rate 20%

Calculate all Balance Sheet Ratios and also find out :

- Return on proprietors fund
- Return on Capital Employed
- EPS if each share is of Rs. 100/-

**Q.3A)** Shri-Sai Seva Ltd. is considering a proposal for the investment of Rs. 500000/- which is expected to generate net cash inflows for 6

years as under.

Year	Cash flow (Rs)	Year	D.F. @ 15%
2002	100000	1	0.87
2003	160000	2	0.76
2004	240000	3	0.66
2005	300000	4	0.57
2006	260000	5	0.50
2007	140000	6	0.43

State whether the proposal should be accepted or rejected on the basis of NPV. (08)

- B)** If Ms. Priyanka Chopra saves Rs. 1000/- a year for 5 years and Rs. 15000/- a year thereafter for 10 years, What will be the savings that will cumulate at the end of 15 years if rate of interest is 10%?

**OR**

- Q.3A)** Calculate trend analysis with 2005 as a base year for M/s Sachin's Ltd. (10)

(Rupees in Thousand)

Particulars	2005	2006	2007	2008
Proprietors fund	500	800	1100	1280
Long term loans	300	200	100	-
Current liabilities	300	340	400	480
Fixed assets (Gross)	160	240	320	400
Depreciation	60	100	160	240
Stock	300	360	400	500
Advance	150	200	250	300
Debtors	450	540	690	700
Cash	100	100	100	100

- B)** CSV deposits Rs. 10000/- with a bank at 12% interest compounded quarterly. How much amount he will get after a period of six years? (05)

- Q.4A)** What is financial statement analysis? What are the various statements prepared for it? (08)

- B)** State Various tax saving scheme available for investor. (07)

**OR**

- Q.4 Short Notes on** (15)

- Dupont analysis
- Diversification & its need