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M.B.A.

NOV 2010

(303 B) : ADVANCED FINANCIAL MANAGEMENT

(Finance Specialization)

(2008 Pattern)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) Attempt any five questions.
- 2) All questions carry equal marks.

Q1) Explain what do you understand by the term 'DIVIDENT'? State various types of Dividends and various legal provisions associated with Dividend Payments.

Q2) Construct the balance sheet on the basis of following data.

Current Ratio 2.5, Acid Test Ratio 1.5, Bank overdraft Rs.10000/-, working capital Rs.60000/- Reserve and Surplus Rs.30000/-, Fixed Asset to Net Worth Ratio - 0.75. There is no long term loans and advances and no fictitious assets in balance sheet. www.sppuonline.com

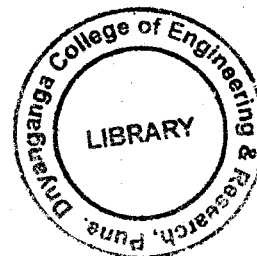
Q3) Using NPV and discounted pay back advice the xyz Ltd. Which project is worth acceptable. Intial investment Rs.26 Lac. Scrapat the end Rs.2/-.

Year	1	2	3	4	5
Proj - A	5.75	4.75	8.00	9.00	7.20
Proj - B	6.00	6.00	6.90	7.20	5.00
Discount @ 10%	0.91	0.83	0.75	0.68	0.63

Note : Above figures are profit after tax.

Q4) Explain following concept (any four) :

- a) Capital Rationing.
- b) Price earning Ratio.
- c) Stock Turnover Ratio.
- d) Enterprise value added.
- e) Working capital cycle.



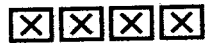
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Q5) What are the various factors need to be consider -

- a) For assessment of working capital.
- b) For capital expenditure acceptance of various proposals.

Q6) Write short notes on (any two) :

- a) Bonus shares.
- b) Right issue of shares.
- c) Chore committee Recommendations.
- d) Tandon committee Recommendations.



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