

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -2 EXAMINATION- 2025

BBA-IV Semester

COURSE CODE (CREDITS): 24BB1HS413 (4)

MAX. MARKS: 25

COURSE NAME: FINANCIAL MANAGEMENT

COURSE INSTRUCTORS: ASA, TGM

MAX. TIME: 1 Hour 30 Min

**Note:** (a) All questions are compulsory.

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

QNo	Question	CO	Marks																		
Q1	<p>From the following information, compute the Proforma Balance Sheet of M/s Anwasha Enterprises:  Sales = Rs 20,00,000 Sales to Net Worth = 2 times Current liabilities to Net Worth = 40% Total liabilities to Net Worth = 60% Current Ratio = 3 times Sales to Closing Inventory = 5 times Average Collection Period = 73 days</p> <table border="1"> <thead> <tr> <th>Liabilities</th><th>Amount</th><th>Assets</th><th>Amount</th></tr> </thead> <tbody> <tr> <td>Net Worth</td><td>.....</td><td>Fixed Assets</td><td>.....</td></tr> <tr> <td>Long-term Liabilities</td><td>.....</td><td>Cash</td><td>.....</td></tr> <tr> <td>Current Liabilities</td><td>.....</td><td>Stock Sundry Debtors</td><td>.....</td></tr> </tbody> </table>	Liabilities	Amount	Assets	Amount	Net Worth	.....	Fixed Assets	.....	Long-term Liabilities	.....	Cash	.....	Current Liabilities	.....	Stock Sundry Debtors	.....	2	5		
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Q2	<p>Expected return of M/s Yash Enterprises and M/s Naman Enterprises are shown below, along with the probability of different economic conditions of the country:</p> <table border="1"> <thead> <tr> <th rowspan="2">State of the Economy</th><th rowspan="2">Probability</th><th colspan="2">Rate of Return (%)</th></tr> <tr> <th>Yash Enterprises</th><th>Naman Enterprises</th></tr> </thead> <tbody> <tr> <td>Boom</td><td>0.30</td><td>16</td><td>40</td></tr> <tr> <td>Normal</td><td>0.50</td><td>11</td><td>10</td></tr> <tr> <td>Recession</td><td>0.20</td><td>6</td><td>-20</td></tr> </tbody> </table> <p>Which company offers more return and which one is more risky investment?</p>	State of the Economy	Probability	Rate of Return (%)		Yash Enterprises	Naman Enterprises	Boom	0.30	16	40	Normal	0.50	11	10	Recession	0.20	6	-20	4	5
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Q3	<p>Your father deposits Rs 3,00,000/- on retirement in a bank which pays 10 percent annual interest. How much can be withdrawn annually for a period of 10 years?</p>	3	4																		

<b>Q4</b>	You deposit Rs 5,000/- in a bank for 6 years. If the interest rate is 12 percent and the frequency of compounding is quarterly. How much your deposit will become after 6 years?	<b>4</b>	<b>3</b>
<b>Q5</b>	M/s Kartikey Finances has given an offer to its customer to pay Rs 50,000/- per year for 10 years and Rs 5,00,000/- at the end of the 10 <sup>th</sup> year. Assuming discount rate 8% per annum, what maximum amount you should pay for the offer?	<b>5</b>	<b>3</b>
<b>Q6</b>	How does the DuPont Analysis framework help in understanding the financial performance of a firm beyond traditional profitability ratios, and what insights can be gained by breaking down Return on Equity (ROE) into its constituent components?	<b>5</b>	<b>3</b>
<b>Q7</b>	How does the concept of the Time Value of Money influence financial decision-making, and why is it important to consider discounting and compounding when evaluating long-term investments?	<b>2</b>	<b>2</b>