

Roll No.

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M.Sc. (Fashion Marketing Management) (Sem.-2)

FINANCIAL MANAGEMENT

Subject Code : MSFMM-207-18

M.Code : 76002

Date of Examination : 15-07-22

Time : 3 Hrs.

Max. Marks : 30

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying ONE mark each.
2. SECTION-B contains THREE questions carrying FIVE marks each and students have to attempt any TWO questions.
3. SECTION-C contains THREE questions carrying FIVE marks each and students have to attempt any TWO questions.

SECTION-A

1. State whether each of the following statement is True or False :

- a. The term financial analysis includes both analysis and interpretation
- b. On the basis of modus operandi, financial analysis can be classified as external analysis and internal analysis.
- c. Vertical analysis refers to the comparison of financial data of a company for several years.
- d. Horizontal analysis is also known as static analysis.
- e. Comparative statements are the form of horizontal analysis.
- f. Common-size statements and financial ratios are the two tools employed in vertical analysis.
- g. Liquidity ratio measure long term solvency of the concern.
- h. Inventory is part of liquid assets.
- i. Return on investment ratio measure profitability of business.
- j. The amount of gross assets is equal to net capital employed.

SECTION-B

2. Calculate Absolute liquid ratio from the following information :

	Rs.		Rs.
Goodwill	50000	Cash in Bank	30000
Plant and Machinery	400000	Inventories	75000
Trade investment	200000	Bank overdraft	70000
Marketable securities	150000	Sundry creditors	60000
Bills receivable	40000	Bills payable	90000
Cash in hand	45000	Outstanding expenses	30000

3. What do you mean by activity ratio analysis? Discuss its significance and limitations.
4. Describe the relationship between solvency, liquidity and profitability.

SECTION-C

5. What are the different methods for the analysis and interpretation of financial statements? How we supply financial and non-financial information to the interested parties? What are the factors affecting contents and timings of the financial statement analysis?
6. What is common size balance sheet and income statement? Explain the technique of preparing the common size balance sheet.
7. What is trend analysis? Explain the usefulness of trend percentage in interpretation of financial statements

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.