

M.Com. Part-I Examination, 2021 (DDE)

Subject: Commerce

Paper: 11

(Financial Statement Analysis)

Time: 2 Hours

Full Marks: 40

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as possible*

Answer any four questions

10x4=40

1. Discuss the objectives and steps in financial statement analysis. (5+5)
2. Distinguish between horizontal analysis and vertical analysis with suitable numerical examples. 10
3. Prepare cash flow statement of BBS ltd. From the following:

Particulars	31.3.20 (Rs.)	31.3.21 (Rs.)
EQUITY AND LIABILITIES		
Share capital	1,00,000	4,00,000
8% debenture	-	2,00,000
Retained earning	60,000	90,000
Creditors	40,000	1,00,000
Bills payable	20,000	40,000
Tax provision	30,000	40,000
TOTAL	2,50,000	8,70,000
ASSETS		
Goodwill	-	20,000
Machinery	1,25,000	4,75,000
Stock	20,000	80,000
Debtor	30,000	1,00,000
Bank	50,000	1,50,000
Cash	25,000	45,000
TOTAL	2,50,000	8,70,000

Additional Details:

- a. During 2019-20 the business of a sole trader was purchased by issuing share for Rs. 2,00,000. The assets acquired from him were:
Goodwill Rs. 20,000, Machinery Rs. 1,00,000 , Stock Rs. 50,000 and Debtors Rs. 30,000
 - b. Provision for tax charged in 2017 was Rs. 35,000
 - c. The debenture was issued at a premium of 5% which is included in the retained earnings.
 - d. Depreciation charged on machinery was Rs.30,000.
4. a) Discuss in brief Dupont analysis.
b) Write a brief note on the Degree of Operating Leverage. (5+5)
5. Narrate, in brief, the financial distress prediction model as proposed by Edward Altman. 10
6. a) Discuss the advantages of multivariate analysis.
b) Write a short note on the unitary test. (5+5)

M.Com. Part-I Examination, 2021 (DDE)

Subject: Commerce

Paper: 12

(Financial Management)

Time: 2 Hours

Full Marks: 40

The figures in the margin indicate full marks.

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as far as possible*

Answer any four questions

10x4=40

1. 'Financial Management is nothing but managerial decision making on asset mix, capital mix and profit allocation.' - Explain. 10
2. "Despite its limitations, the Payback period method is popular." -Discuss 10
3. Mathematically prove that the overall cost of capital of the firm and the weighted average cost of capital of the firm are the same. 10
4. Briefly explain the Net Operating Approach relating to the financing decision of the firm. 10
5. Critically explain Gordon's dividend model. 10
6. a) Weighted operating cycle is an improvement over the conventional one. Examine the validity of the statement.
b) Write a note on 'aggressive policy in financing working capital requirement of a firm'. (5+5)