Name : ……………………………………………………

Roll No. : …………………………………………………

Invigilator's Signature : ……………………………………

CS/MMA/SEM-3/MMAFNE-308/2009-10
2009
COMPANY AND FUNDAMENTAL ANALYSIS

Time Allotted : 3 Hours   Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.
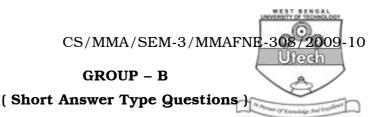
GROUP – A
(Multiple Choice Type Questions)

1.   Choose the correct answer for the following :   5 × 2 = 10

    i)   Which of the following non-financial parameters need not be considered while analysing a company ?

        a)   Top management

        b)   Research and development

        c)   Government regulation

        d)   Pattern of shareholding and listing

        e)   None of these.

    ii)   Which of the following does not form part of company analysis ?

        a)   A trend analysis of the company's market share

        b)   Life cycle analysis of the industry

        c)   Leverage and coverage ratio analysis

        d)   Cost structure and break-even analysis

        e)   An assessment of the quality of the management.

iii) A measure which reflects the effectivness and efficient use of firm's resources is

    a) Return on equity

    b) Return on assets

    c) Operating profits

    d) Earnings after tax

    e) Net income margin.

iv) Which of the following is/are not a component(s) of ROE analysis ?

    a) Pre-tax margin

    b) Asset turnover ratio

    c) Effective tax ratio

    d) Dividend pay-out ratio

    e) Both (c) and (d).

v) Depreciation can be provided by which of the following methods ?

    a) Written down value method

    b) Straight line method

    c) Production unit method

    d) Sinking fund method

    e) Either (a) or (b).

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. 3 × 5 = 15

2. Consider the following data of Chandra Ltd.

   Number of shares = 1,00,000

   Profit after tax (PAT) = Rs. 5,00,000

   Depreciation = Rs. 1,00,000

   Tax paid = Rs. 20,000

   Calculate the cash earnings per share (CEPS)

3. If Sales = Rs. 100 crore, Total assets = Rs. 150 crore, Earnings before interest and tax (EBIT) = Rs. 30 crore and Profit after tax (PAT) = Rs. 10 crore, then calculate the Return on assets (ROA).

4. If net profit margin is 12%, total assets turnover ratio is 3.5 and total assets to net worth ratio is 2.5, calculate the return on equity.

5. What is a business model ? What should be the element in a business model ?

6. Explain contribution analysis in your own words.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following.   3 × 15 = 45

7. What non-financial company factors will you consider in company analysis ?

8. What is value chain analysis for business ? What are the key issues involved ?

9. What is market audit ? How is it helpful for the organisational growth ?

10. How is Bench marking used to develop an organisational scale in Finance & Marketing Department ?

11. Write short notes on the following :

    i)   Arbitrary Bench marking

    ii)   Win-Win situation

    iii) Win-Loss situation.

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