

**Dr. Babasaheb Ambedkar Open University**  
**Term End Examination June – 2017**

Course	: DFM	Date	: 27-Jun-17
Subject Code	: DFM-02	Time	: 3:00 TO 6:00
Subject Name	: Project Appraisal and Analytical	Duration	: 03 Hours
	Tools in Financial Management	Max. Marks	: 70

1. Explain Utility and Limitations of Ratio Analysis

(14)

**OR**

What is capital Budgeting. Explain the steps in Strategic Capital Investment.

2. Explain between Cash flow and found flow

(14)

**OR**

The Following are the Balance sheet of Sarkar Ltd for the year 31<sup>st</sup> March 2013-2014

Particulars	2013	2014
<u>Liabilities</u>		
Share Capital	2,00,000	3,00,000
Profit and loss	1,20,000	1,60,000
Creditors	60,000	50,000
Provision for tax	40,000	50,000
Proposal dividend	20,000	30,000
	<u>4,40,000</u>	<u>5,90,000</u>
<u>Assets</u>		
Fixed Assets	1,60,000	2,00,000
Add Additions	40,000	60,000
	2,00,000	2,60,000
Law Depreciation	18,000	24,000
	1,82,000	2,36,000
Investment	8,000	16,000
Stock	1,60,000	2,18,000
Debtors	60,000	80,000
Cash	30,000	40,000
	<u>4,40,000</u>	<u>5,90,000</u>

Additional Information

1. Taxes Rs.44000 and dividend Rs.24000 were paid during the year 2014
2. The Profit for the year 2014 before depreciation Rs.4000 Prepare Cash Flow Statement from above information given.
3. Explain meaning and importance of Budgets

(14)

**OR**

Explain Concept of ZBB

4. Discuss any five Techniques to Deal with Risk

(14)

**OR**

Explain Social Cost and Social Benefit

5. Write Short note (Any two)

(14)

1. Capital Rationing
  2. Common Size Statements
  3. Disconnected Payback period Method
  4. Sensitivity Analysis
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