

**(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2020 ONLY)**

20UMA6S3

REG.NO. :

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : MAY-2023**

PART – IV

MATHEMATICS FOR FINANCE –II

SECTION - A **(10 X 1 = 10 MARKS)**

ANSWER THE FOLLOWING QUESTIONS.

K1

1. Capital budgeting decisions are divided into _____ kinds.
a) 1 b) 2 c) 3 d) 4.
2. The average rate of return method of evaluating proposed capital expenditure is also known as the _____ method.
a) Accounting rate of return b) accept reject rule
c) Evaluating the project d) none of the above
3. In which method all cash flows are expressed in terms of their present values.
a) PV b) DCF c) ARR d) NPV
4. _____ underlying the capital budgeting decision is efficiency.
a) Assets b) rationale c) finance d) significant.
5. The full form of IRR_____.
a) Internal rate of return b) interest on rate of return
c) International rate of return d) none of the above

ANSWER THE FOLLOWING IN ONE OR TWO SENTENCES. K2

6. Define Ratio Analysis.
7. Define cash flow.
8. Define IRR.
9. Define DSCR.
10. Define ROI.

SECTION – B

(5 X 8 = 40 MARKS)

ANSWER ANY 5 OF THE FOLLOWING QUESTIONS. K3

11. What are the three categories of ROIs.
12. Explain Type of Ratios.
13. The credit sales of a firm in a year amount to Rs 12,00,000. The outstanding amount of debtors at the beginning and end of the year were Rs 1,40,000 and Rs 1,60,000 respectively. Determine the debtor turnover ratio and the average collection period.
14. Draw Du Pont Chart.

15. Explain the Profitability Ratios Related to sales. (K3)

16. Determine the average rate of return from the following data of two machines, A and B. (K4)

		Machine A	Machine B
Cost		Rs 56,125	Rs 56,125
Annual estimated income after Depreciation and income tax:			
Year	I	3,375	11,375
	II	5,375	9,375
	III	7,375	7,375
	IV	9,375	5,375
	V	11,375	3,375
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		36,875	36,875
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Estimated life (years)		5	5
Estimated average value		3,000	3,000

Depreciation has been charged on straight line basis.

17. Explain Turnover Ratio. (K3)

18. What are the importance and limitations of ratio analysis? (K3)
