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Section A
Answer ALL questions. Each question carries 1 Mark

1. Which of the following is not a wireless communication device:
    A. Bluetooth
    B. Infrared
    C. GPS
    D. Broadband

2. ....is a single user, single task operating system
    A. Linux
    B. DOS
    C. MS-Windows
    D. UNIX

3. Computer is free from tiredness and lack of concentration, fatigue etc, this features is known as:
    A. Reliability
    B. Speed
    C. Diligence
    D. Versatility

4. Social networking involves communication between ....
    A. Two computers
    B. Computer and a router
    C. A human and a computer
    D. Two or more people

5. ....are programs that attach themselves to a computer or a file and then circulate themselves to other files and other computers on a network
    A. SPAM
    B. Spyware
    C. Malware
    D. Virus

6. ....is a private network accessible only to an organization's staff.

7. The method of buying and selling of products over the internet is called ....

8. A ....is approximately 1,000 bytes

9. .... is an interconnected collection of autonomous computers.

10. Twitter allows registered members to broadcast short posts called ....

(10 x 1 = 10Marks)

Section B
Answer any EIGHT questions. Each question carries 2 marks

11. What is 'Circles' in Google+?
12. Mention any four limitations of computers.
13. What is skypeout?
14. Differentiate between data encryption and data decryption?
15. Write a note on UNIX?
16. Mention the advantages of e-mail.
17. What is phishing?
18. What is multitasking operating system?
19. Mention the purpose of ALU unit in CPU?
20. Compare spyware and malware?

(8 x 2 = 16 Marks)

Section C
Answer any SIX questions. Each question carries 4 marks.

21. Explain the applications of computers in marketing management.
22. Write a brief note on (a) Infrared (b)Wi-fi (c) GPRS (d) EDGE
23. Write down the advantages of open source software?
24. Differentiate between e-commerce and m-commerce.
25. Explain the benefits of social media.
26. Briefly explain the different types of social networking sites in India.
27. State important provisions included in Information Technology Act, 2000.
28. What control measures can be adopted to secure computer from attack.

(6 x 4 = 24 Marks)

Section D
Answer any TWO Question which Carry 15 marks

29. What is network topology? Explain different types of network topologies.
30. Define operating system? Discuss various types of operating system.
31. Define Computer? Explain the importance of computers in the present business scenario.

(2 x 15 = 30 Marks)

1B5N17132

(Pages :2)

Reg. No:...........................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Fifth Semester BCOM CA Degree Examination, November 2017
BC5B11(CA) – Business Information System
(2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

Section A
Answer *ALL* questions. Each question carries 1 Mark

1. Information is:
   - (a) Collection of data
   - (b) Processed data
   - (c) Secret data
   - (d) Unprocessed data

2. ....is the utilization of technology to improve the realization of office functions
   - (a) Office PC
   - (b) Office records
   - (c) Office automation
   - (d) Office management

3. This is a utility program that helps programmers to write programs, store a source program or text and to modify the text or source program.
   - (a) Application software
   - (b) Editor
   - (c) Interpreters
   - (d) None of these

4. Overall design of database is called ....
   - (a) Structure
   - (b) Architecture
   - (c) Schema
   - (d) Layer

5. MS Power point is an application to prepare ....
   - (a) Chart
   - (b) Spreadsheets
   - (c) Graph
   - (d) Slides

6. ....translates a program into machine code, one statement at a time

7. DBMS stands for ....

8. The automation of every day office jobs is one of the important results of the .... revolution

9. ....software refers to software that is not limited by having a copy right.

10. ....is a system that aids management in making, carrying out and controlling decisions.

(10 x 1 = 10 Marks)

Section B
Answer any *EIGHT* questions. Each question carries 2 marks

11. What is meant by real-time processing?
12. Differentiate between data and information?
13. What is IRC?
14. What is software reliability?
15. Define MIS
16. What is cripple ware?
17. What is normalization?
18. Explain a virtual office.
19. What is GDSS?
20. What is cloud computing?

(8 x2 = 16 Marks)

Section C
Answer any *SIX* questions. Each question carries 4 marks.

21. Explain the role of computers in office automation.
22. What is data warehouse?
23. Distinguish between compiler and interpreter?
24. Explain how information technology support at various organizational levels.
25. Write down the characteristics of quality of information system.
26. Define Transaction Processing System? What are its prerequisites?
27. Explain necessity of a database.
28. Briefly explain the importance of spreadsheets in business.

(6 x 4 =24 Marks)

Section D
Answer any *TWO* Question which Carry 15 marks

29. What is ERP? Discuss the importance of ERP in competitive business operations.
30. Explain the merits and demerits of Hierarchical, Network and Relational database models.
31. Describe the major types of Decision Support System? How DSS help the management in decision making?

(2 x15= 30 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BCOM CA (Open Course) Degree Examination, November 2017

BC5D01 – E - Commerce

(2015 Admission onwards)

Max. Time: 2 hours   Max. Marks: 40

Part A
Answer all questions
Each question carries 1 mark

1. E-commerce is not suitable for
   - a. Sale/ Purchase of expensive jewellery
   - c. Sale/ Purchase of mobile phone
   - b. Sale/ Purchase of branded cloths
   - d. Online job searching
2. EPS means _____
   - a. Enterprise Planning System
   - c. Electronic Purchasing System
   - b. Electronic Payment System
   - d. None of these
3. Interconnecting multiple computer across short distance is _____
4. SCM stands for _____   **(4x1 = 4 Marks)**

Part B
Answer any five questions
Each question carries 2 marks

5. What is protocol?
6. What is antivirus?
7. What is B2B E-commerce?
8. Define E-commerce.
9. What is Encryption?
10. What is e-cash?
11. Who are the participants of SCM?

                                       (5 x 2 = 10 Marks)

Part C
Answer any four questions
Each question carries 4 marks

12. What are the Differences between debit cards and credit cards?
13. Explain the main participants of internet payment processing system?
14. Write a note on Business to Consumer model.
15. Explain Biometrics. What are its components?
16. Distinguish between traditional commerce and e-commerce?
17. What are the problems and challenges of e-commerce?

                                       (4 x 4 = 16 Marks)

Part D
Answer any one question
The question carries 10 marks

18. Explain various Business models in e-business with examples.
19. What are the security issues on electronic payment system? How these can be managed?

                                       (1 x 10 = 10 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BCOM/BCOM CA Degree Examination, November 2017

BC5B07 – Accounting for Management

(2015 Admission onwards)

Max. Time: 3 hours   Max. Marks: 80

Part-I

Answer all the questions. Each carries 1 mark

I. Choose the correct answer

1. Who are interested in the analysis of financial statements?

    (a) Creditors and suppliers   (b) Bankers and financial institutions

    (c) Economists and researchers   (d) All of these

2. Excess of selling price over variable cost is called

    (a) Margin of Safety   (b) Contribution

    (c) Profit   (d)Fixed cost

3. Which of the following ratio expresses the relationship between quick assets and current liabilities

    (a) Current ratio   (b) Cash ratio

    (c) Quick ratio   (d) Absolute liquid ratio

4. Which of the following is a non-current asset?

    (a)Goodwill   (b)Cash

    (c)Bill receivables   (d)Debtors

5. Find out P/V ratio, if sales Rs.1,00,000; profit Rs. 10,000; and variable cost 70%

    (a) 30%   (b)40%

    (c)50%   (d) 60%

II. Fill in the blanks

6. ------------- is prepared to know the net increase or decrease in working capital.

7. ------------- analysis refers to the study of relationship of the various items in the financial statements of one accounting period.

8. The excess of actual or budgeted sales over the break even sales is called-----------.

9. -------------- is calculated by dividing the net profit after taxes and preference dividend by the total number of equity shares .

10. Income from investment is a cash flow from --------------- activities.

                                                      (10 x 1=10 Marks)

Part-II
Answer any 8 questions. Each carries 2 marks.

11. What do you mean by trend analysis?

12. State any two tools of Management Accounting

13. What is P/V ratio?

14. State any two requirements of a good management report

15. What do you mean by leverage?

16. State any two uses of fund flow statement

17. State any two difference between cash flow statement and fund flow statement

18. What is CVP analysis?

19. What is BEP?

20. What is solvency ratio?

(8 x 2 =16Ma

Part-III
Answer any 6 the questions. Each carries 4 marks.

21. Distinguish between management accounting and cost accounting

22. What is break-even analysis? Discuss its assumptions and limitations

23. Explain the different types of financial analysis

24. What are the various turn-over ratios?

25. From the following P&L A/C calculate funds from operation

P&L A/C

To Salaries	20,000	By G/P	4,
To Rent	6,000	By Profit on sale of machine	
To Commission	4,000	By Refund of tax	
To Discount allowed	2,000	By Dividend received	
To Provision for depreciation	28,000		
To General Reserve	40,000		
To Provision for tax	20,000		
To Loss on sale of security	10,000		
To Goodwill written off	4,000		
To Preliminary expenses	6,000		
To Advertisement	40,000		
To Net profit	2,40,000		
	4,20,000		4,2

26. Compute pay-out ratio and retained earnings ratio

No. of equity shares	3,000
Dividend per equity share	Rs. 0.40
Net profit	Rs. 10,000
Provision for tax	Rs. 5,000
Preference Dividend	Rs. 2,000

27. The sales and profit during two years are as follows:

Year	Sales	Profit
2015	1,40,000	15,000
2016	1,60,000	20,000

Calculate: (a) P/V ratio,   (b) Sales required to earn a profit of Rs.40,000, and

(c) Profit when sales are Rs. 1,20,000

28. From the following comparative balance sheets of AB Ltd. prepare a cash flow statement

	31-3-2017 (Rs.)	31-3-2016 (Rs.)
Assets:		
Cash	80,000	20,000
Debtors	1,00,000	25,000
Stock	1,00,000	60,000
Prepaid expenses	25,000	15,000
Plant & Machinery	3,80,000	3,60,000
Goodwill	35,000	40,000
	7,20,000	5,20,000
Liabilities:		
Creditors	30,000	14,000
Provision for depreciation	1,00,000	60,000
Debentures	1,00,000	1,00,000
Premium on debenture issue	12,000	18,000
Share capital	2,00,000	1,00,000
Share premium	30,000	—
Reserves & Surplus	2,48,000	2,28,000
	7,20,000	5,20,000

Additional information:

1. Debenture premium of Rs. 6,000 was amortised during the year

2. Dividend paid Rs. 6,000

(6 x 4 =24 Marks)

29. 'The technique of Marginal Costing can be a valuable aid to management'. Discu

30. From the following balance sheets prepare fund flow statement for the year ended
March 2017

Assets	31-3-2016	31-3-2017	Liabilities	31-3-2016	31
Fixed Assets	4,00,000	3,20,000	Share capital	4,50,000	4,
Investments	50,000	60,000	General Reserve	3,00,000	3,
Stock	2,40,000	2,10,000	P&L A/C		56,000
Debtors	2,10,000	4,55,000	Creditors	1,68,000	1,
Bank	1,49,000	1,97,000	Prov. for tax	75,000	
			Loan (Short term)	-----	2,
	10,49,000	12,42,000		10,49,000	1

Additional Information:

1. Investment costing Rs. 8,000 were sold during the year 2017 for Rs. 8,50

2. Provision for taxation made during the year 2017 was Rs. 9,000

3. During the year 2017, part of fixed assets having book value of Rs. 10,00
sold for Rs. 12,000.

4. Dividend paid during the year 2017 amounted to Rs. 40,000

31. The following is the Trading and Profit and Loss Account of X Ltd. for the yea
31st March, 2017

Trading and Profit and Loss Account of X Ltd.

Opening Stock	76,250	Sales	
Purchases	3,15,250	Closing stock	
Factory expenses	7,000		
Gross profit c/d	2,00,000		
	5,98,500		
Administrative expense	1.01,000	Gross profit b/d	
Selling & Distr. Expense	12,000	Non- operating income	
Non- operating expense	9,000		
Net Profit	84,000		
	2,06,000		

Calculate:
(a) Expenses ratios, (b) Gross profit ratio, (c) Operating ratio,

(d) Operating Profit Ratio, and (e) Net profit ratio.

(2 x1!

1B5N17160 (Pages : 2) Reg. No:...........................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BCOM/BCOM CA Degree Examination, November 2017

BC5B08 – Business Research Methods

(2015 Admission onwards)

Max. Time: 3 hours   Max. Marks: 80

Part I
(Fill the following questions carry one mark each)

1. .... research aims at identifying the cause and effect relationship between variables.

   a) Basic   b) exploratory   c)causal   d) applied

2. A .... reasoning is drawing conclusion from particular to general

   a) Deductive   b)inductive   c) balanced   d) all of the above

3. The .... scale places events in order

   a) Nominal   b) ordinal   c) Interval   d) ratio.

4. .... is a method of exploring the life of a social unit.

   a) Case study   b) pilot study   c) descriptive study   d) experimental

5. Population measurements are called ....

   a)Parameters   b) statistics   c) estimates   d) hypotheses.

6. If the measure of correlation is zero, it indicates .... correlation.

7. When the study is related with onevariable, it is termed as ....

8. .... is the process of recording the classified facts in rows and columns

9. A .... Study is a small scale replica of main study.

10. When a proposition is formulated for empirical testing, it is called...............

                                                      (10×1=10 Marks)

Part II
(Answer any Eight each carries 2marks each)

11. What is independent variable?
12. Define business research.
13. What do you meant by descriptive analysis?
14. What is ratio scale?
15. What is interview schedule?
16. What is data editing?
17. What is probability sampling?
18. What is simulation?
19. Give a format for writing bibliography of journals.
20. What do you meant byresearch design?

(8 ×2 =16 Ma

Part III
(Answer any Six each carries 4 marks)

21. Discuss different types of measuring scales.
22. There are several methods for data collection. Briefly explain.
23. Explain the different forms of questionnaires.
24. What is descriptive research and what are the features of descriptive research?
25. Discuss different stages of data processing.
26. What is sample size? What are the factors to be considered for determining the sam
27. What is survey? What are its features?
28. What are the features and importance of research design?

(6 × 4 =24 M

Part IV
(Answer any Two each carries 15 marks each)

29. Define research. Explain different stages of research.
30. What is Research report? Explain essential stages of successful report writing.
31. Explain different methods of exploratory research.

(15×2 =30 I

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Part I
Answer *all* the questions
Each question carries 1mark

1. -------------------- propounded the concept of MBO.
   a. Henry Fayol
   b. Peter.F.Drucker
   c. F.W.Taylor
   d. Herzberg

2. -------------------- developed Theory X and Theory Y.
   a. Herzberg
   b. McGregor
   c. Maslow
   d. McClelland

3. ---------------------- means adding the contents to a job leading to increased responsibility, scope and challenge in its performance.
   a. Job enlargement
   b. Job simplification
   c. Job enrichment
   d. Job specification

4. Which is the following is NOT a method of job evaluation.
   a. Ranking method
   b. Grading method
   c. Factor comparison method
   d. Field review method

5. Among the following, which is a personality test?
   a. Intelligence test
   b. Projective test
   c. Judgement test
   d. Achievement test

6. ------------------ is concerned with competing for and competing on human resources.

7. ------------------ is a structured form to seek relevant information from the candidate which may be helpful in selection decision.

8. BARS stands for ----------------------------.

9. According to Vroom, Motivation = --------------------x Expectancy x Instrumentality.

10. Termination of service of an employee as a punitive measure is known as -------------------.

(10 x 1 = 10 Marks)

Part II
Answer any *eight* of the following questions
Each question carries 2 marks

11. Define Human Resource Management.
12. What do you mean by fringe benefits?
13. What is career planning?
14. What is meant by incentive?
15. What is induction?
16. What is the concept of job enlargement?
17. What is Lay-off?
18. Define MBO.
19. What is merit rating?
20. Define minimum wage.

$(8 \times 2 = 16$ M

Part III
Answer any *six* of the following questions
Each question carries 4 marks

21. Explain the functions of HRM.
22. What are the essentials of a good discipline system?
23. What is recruitment? Explain various sources of recruitment?
24. What are the factors influencing wage system?
25. Explain various types of test.
26. Distinguish between career planning and manpower planning.
27. What is meant by career? Explain the process of career planning.
28. Explain the uses of job analysis.

$(6 \times 4 = 24$

Part IV
Answer any *two* of the following questions
Each question carries 15 marks

29. What is meant by selection? Explain the steps involved in selection procedure.
30. Briefly explain various components of employee remuneration.
31. Define the term 'discipline'. Discuss its features, objectives and types.

$(2 \times 15 = 30$

1B5N17162   (Pages : 4)   Reg. No:................................

Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE
Fifth Semester BCOM Degree Examination, November 2017
BC5B10– Financial Reporting
(2015 Admission onwards)

Max. Time: 3 hours   Max. Marks: 80

PART – I
Objective type questions. Answer all 10 questions.
Each question carries 1 mark

A. Choose the Correct Answer

1. Accounting profession of India is governed by
   a) Ministry of finance   b) RBI
   c) ICAI   d) Ministry of corporate affairs

2. Following is not a directly attributable cost to PPE
   a) Cost of employee benefits   b) Cost of site preparation
   c) Administrative and general cost   d) Installation expenses.

3. Amount of income tax payable in the future periods for taxable temporary differences is called............
   b) Deferred tax liability   b) Penalty
   c) Tax deducted at source   d) Deferred tax asset

4. A person having significant control over the reporting entity is called.....
   a) Director   b) Chief operating officer
   c)Managing director   d) Related party

5. Ind AS 8 deals with............
   a) Making changes in accounting policy   b) Treatment of changes in accounting policy
   c) Disclosure of changes in accounting policy   d) All the above.

B.Fill in the blanks

6. FASB stands for...............

7. Amount at which an asset is recorded in the balance sheet after deducting accumulated depreciation and accumulated impairment loss is called ....

8. ....is the price at which goods or services would be sold separately to a customer.

9. .... is the period over which an asset is expected to be economically usable by any one.

10. Events that provide evidence of conditions that existed at the end of the reporting period is called.........

(10 x 1=10 Marks)

PART – II

Short Answer type questions.

Answer any Eight questions from Ten. Answer in two or three sentences.

11. Define accounting standard.

12. Write a note on IFRS adoption.

13. What is a qualifying asset as per Ind AS 23?

14. Explain the concept "value in use"

15. Define 'tax base'.

16. What is termination benefit?

17. What do you mean by diluted earnings?

18. What is an operating segment?

19. What is prospective application?

20. Write two examples for cash equivalents.

(8 x 2 = 16 Ma

PART – III

Short Essay or Paragraph questions.
Answer any 6 questions from 8. Answer in 150 to 200 words.

21. Explain the functions of IASB.

22. Aysha Ltd. has an item of land carried in its books at Rs.2800000. Three years a
slump in land values led the company to reduce the carrying value from Rs.420(
This was taken as an expense in the statement of comprehensive income. There has
a surge in land prices in the current year and the land is now worth Rs.4900000.
double entry to record the revaluation in the current year and comment on it.

23. Cost of a group of asset classified as cash generating unit as on 31st March 20
Rs.16000000 and accumulated depreciation is Rs.4000000. Depreciation expenses f
year 2016-2017 related to this asset is Rs.1000000. Assume that the present val
estimated future cash flow of the unit is Rs.9600000; Fair value of the ass
Rs.9800000 and the estimated cost of disposal is Rs.400000. Calculate impairment l

24. A company issued share options on 1st June 2015 to pay for purchase of inventory
inventory is eventually sold on 31st March 2017. The value of inventory on 1st June
was Rs.8000000 and this value was unchanged up to the date of sale. Sales proceeds
Rs.10000000. The shares issued have a market value of Rs.8600000. Comment on
the light of IFRS2.

25. Check whether the following cases are in the scope of Ind AS 41 and Comment on it.

   a) Lake fishing

   b) Herbs cultivated by a pharmaceutical company for producing drugs

   c) Fish farming

   d) Development of living organisms such as cells, bacteria and viruses for sale.

26. During the financial year 2016-2017 Afshan Ltd. completed following transactions:

   a) Purchased machine for Rs.1300000 in exchange od old machine worth Rs.200000

   b) Paid cash dividend totaling Rs. 600000

   c) Buy back of shares worth Rs.4500000

   d) Spent Rs.2000000 on operating expenses, of which Rs.113000 paid in cash and the reminder put on credit.

   Comment on nature and type of cash flows.

27. What do you mean by non-adjusting events? Explain its accounting treatment.

28. Explain the five step model of IFRS 15.

(6 x 4 = 24 Marks)

PART – IV

Essay questions.

Answer any two questions. Answer in 600 to 800 words.

29. Define IFRS. Discuss the due process of IFRS.

30. Explain the objectives, scope and disclosure requirements of Ind AS 16.

31. From the following information and trial balance of Neeraj Ltd. as on 31 March 2017 Prepare statement of comprehensive income, statement of changes in equity and statement of financial position.

   a) Inventory on 31.3.2017 is valued at Rs.300000.

   b) Provide depreciation of PPE at 10% and allocate to administrative expenses.

   c) Equity shares issued during the period is Rs.100000 and premium collected were Rs.10000.

Office expenses	20000	Equity share capital	4000
Purchases	340000	Share premium	1000
Inventory as on 1/4/2016	220000	Retained earnings on 1/4/2016	1600
Distribution cost	172000	Revenue	8200
Interest on loan	32000	Loan from bank	3200
Income tax expenses	20000	Exchange differences	10
Cash and cash equivalent	360000	Trade payables	60
Trade receivables	100000	Bank overdraft	210
Investment in shares	300000	Long term employee benefit	964
Plant, property and equipment	1000000		
Deferred tax assets	100000		
Biological assets	300000		
Dividend paid	80000		
	3044000		3044

(2 x 15 = 30 Ma

PART—IV

Essay questions

1B5N17163   (Pages : 4)   Reg. No:..........................

                                                     Name: ....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BCOM Degree Examination, November 2017

BC5B11– Financial Management

(2015 Admission onwards)

Max. Time: 3 hours

Max. Marks: 80

Part I

Fill in the blanks (each carries 1 marks)

1. -------------is a stream on uniform periodic cash flows.
2. Profitability index is also known as ---------------------
3. According to ----------------theory, the dividend decision is irrelevant.
4. Degree of operating leverage is obtained by dividing contribution by ----------
5. Cost of capital is the------------ rate for capital investment decision.

Choose the correct answer (each carries 1 marks)

6. The discount rate must be determined in advance for the ----------------
   a. IRR   b.NPV   c. Pay Back Method

7. Profit maximization ignores---------------------
   a. Future Growth   b. Time Value of Money   c. Investor Needs

8. POQ stands for-------------------
   a. Price Order Quantity   b. Profit Order Quantity   c. Period Order Quantity

9. Working Capital is the difference between Current Asset and ---------------------
   a. Fixed Assets   b. Tangible Assets.   c. Current Liabilities

10. Long term investment decision is also known as----------------
    a. Capitalisation   b. Capital Structure   c .Capital Budgeting

(10 x 1=10 Marks)

PART II
Answer any eight of the following questions.
Each question carries 2 marks

11. X Ltd, is likely to get Rs.5000 continuously for 5 years. What is its present valu

    discount rate is 10%.

12. What is NPV?

13. What is sensitivity analysis?

14. What is interim dividend?

15. Define ABC analysis.

16. What are credit standards?

17. What is financial leverage?

18. Distinguish between implicit cost and explicit cost of capital.

19. What do you mean by operating risk?

20. What is deferred payments?

                                                                    (8 x 2=16

PART III

Answer any Six of the following(each carries 4marks)

21.   A Wholesale fruit dealer sells 16,000 boxes of dry fruits during the year. The de

      the dry fruits is steady through out the year. The cost of placing an order is Rs.500

      box of dry fruits costs Rs.2,000.The cost of carrying inventory is 20%. You are re

      find out the Economic Order Quantity.

22.   Calculate cost of capital in the following cases:

      (a) X Ltd issues 12 % debentures of face value of Rs 100 each and realizes Rs 95 p

          debenture. The debentures are redeemable after 10 years at a premium of 9%.

      (b)'Y' Ltd issues Preference shares of face value of Rs.100 each carrying 15% div

          realises Rs.92 per share. The shares are repayable after 12 years at par.

23.   From the following information in respect of material, calculate the levels

      required under demand supply of stock control:

Reorder quantity	4000 unit
Minimum stock level to allow for emergency	5 weeks
Average delivery time from suppliers	4weeks
Maximum stock level allowed by management	20 weeks
Average rate of consumption per week	250 units
Minimum consumption in 4 weeks	800 units

24. Differentiate between Operating Liverage and Financial Liverage.

25. Describe the significance of financial management.

26. Explain Walter's Dividend Model

27. A project costing Rs.100 lakhs has a life of 10 years at the end of which its scrap value is likely to be Rs.10 lakhs. The firm's cut off rate is 12%. The project is expected to yield an annual profit after tax of Rs. 10 lakhs, depreciation being charged on straight line basis. At 12% p.a the present value of one rupee received annually for 10 years is Rs.5.650 and the value of one rupee received at the end of 10th year Re.0322.Ascertain the NPV of the project and whether we should go for the project.

28. From the following data, calculate the operating leverage, financial leverage and combined leverage .

Installed capacity	400 units
Actual production and sales	75% of the Capacity
Selling Price	3/- Per Unit
Variable Cost	1.5 Per Unit
Fixed Cost	200

(6 x 4=24 Marks)

Part IV
Answer any two of the following (each carries 15 marks)

29. The shares of a company are selling at Rs.240 per share . The company is proposing to issue new equity shares. The historical pattern of dividends paid during the last 5years is given below:

Years	Dividend Rs.
1	20.50
2	22.14
3	23.91
4	25.82
5	27.89

The costs of flotation are expected to be 4% of the current selling price of the shares. You are required to determine:

(i) Growth rate in dividends;
(ii) Cost of equity capital, assuming that the growth rate determined in (i) above will continue indefinitely;
(iii) Cost of new equity shares.