

RESEARCH METHODOLOGY  
(Held in April 2010)

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Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

1. Define the term Research. Explain the various types of Research.
2. What are the steps to be taken for identifying a research problem?
3. Prepare a 'Research design' for your proposed Research study.
4. Define sampling. Explain the various methods of sampling.
5. Explain the survey method of Investigation in Research.
6. What is hypothesis? Explain the various methods of estimation and testing of hypothesis.
7. Describe the different steps involved in research process.

8. Explain the different methods of collecting data.
  9. Explain the various steps involved in writing research reports.
  10. Write a note on :
    - (a) Case study
    - (b) Pre Test
    - (c) Pilot study
    - (d) Scaling techniques.
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Paper II — FINANCIAL MANAGEMENT  
(Held in April 2010)

Time : Three hours

Maximum : 100 marks

Answer any FIVE questions.

All questions carry equal marks.

1. "Profit maximization and wealth maximization is the goals of financial management" – Explain.
2. Define ratio. Discuss the objectives and limitations of ratio analysis.
3. Write a notes on :
  - (a) Indifference point
  - (b) Home made leverage
  - (c) Angle of incidence
  - (d) Optimum capital structure.
4. Explain the various factors which are determine working capital.

5. The following particulars are obtained from costing records of a factory :

	Product A (per unit)	Product B (per unit)
	Rs.	Rs.
Selling price	200	500
Materials (Rs. 20 per kg)	40	160
Labour (Rs. 10 per hour)	50	100
Variable overhead	20	40

Total fixed overhead Rs. 15,000

Comment on the profitability of each product when :

- (a) Raw material is in short supply
- (b) Production capacity is limited
- (c) Sales quantity is limited
- (d) Sales value is limited
- (e) only 1000 kg of raw material is available for both the products in total and maximum sales quantity of each product is 300 units.

6. A textile company is considering two mutually exclusive investment proposals for its expansion programme. Proposal A requires an initial investment of Rs. 7,50,000 and yearly operating cost Rs. 50,000. Proposal B requires an initial investment of Rs. 5,00,000 and yearly operating cost of Rs. 1,00,000. The life of the equipment used in the both the investment proposals will be 12 years with no salvage value, depreciation is on straight line basis for tax purposes. The anticipated increase in revenue is Rs. 1,50,000 per year in both the investment proposals. Tax rate is 35% and the cost of capital is 15%

Which investment proposal should be undertaken by the company? Why?

7. Determine the optimal capital structure of a company from the following information supplied to you, assuming 35% corporate tax rate.

$K_1$ (%)	$K_c$ (%)	B/V
11.0	13	0.0
11.0	13	0.1
11.6	14	0.2

$K_1$ (%)	$K_c$ (%)	B/V
12	15	0.3
13	16	0.4
15	18	0.5
18	20	0.6

8. From the following balance sheets of A Ltd make out the statement of cash flow :

	2007	2008		2007	2008
	Rs.	Rs.		Rs.	Rs.
Equity capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Redeemable preference shares	1,50,000	1,00,000	Land and building	2,00,000	1,70,000
General reserve	40,000	70,000	Plant	80,000	2,00,000
Profit and loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills receivable	20,000	30,000
Bill payable	20,000	16,000	Cash in hand	15,000	10,000
			Cash at bank	10,000	8,000

2007	2008	2007	2008
Rs.	Rs.	Rs.	Rs.

Provision for  
taxation

40,000	50,000		
<u>6,77,000</u>	<u>8,17,000</u>	<u>6,77,000</u>	<u>8,17,000</u>

Additional information :

- Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on plant and land and buildings account respectively in 2008.
- An interest dividend of Rs. 20,000 has been paid
- Income-tax of Rs. 35,000 was paid during the year 2008.

9. From the following ratios and other informations you are required to prepare balance sheet :

Gross profit – Rs. 80,000

Gross profit to cost of goods sold ratio – 1/4

Stock velocity – 6 times

Opening stock – Rs. 36,000

Accounts receivable velocity (year of 360 days) – 72 days

Accounts payable velocity – 90 days

Current assets – Rs. 1,50,000

Bills receivable – Rs. 20,000

Bills payable – Rs. 5,000

Fixed assets turnover ratio – 8 times.

- Explain the various theories of capital structure and also explain its assumptions.

Paper III — MANAGERIAL ECONOMICS  
(Held in April 2010)

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Time : Three hours

Maximum : 100 marks

Answer any FIVE of the following  
(5 × 20 = 100)

1. How does managerial economics differ from traditional economics?
2. Discuss the main features of monopolistic competition. How is price determined under monopolistic competition?
3. Examine the different methods demand forecasting for established products.
4. Discuss the price elasticity of demand and explain its various types. Explain the role of price elasticity in business decisions.
5. Explain the cost output relationship. Explain with examples.
6. What is meant by cost of capital? How is it calculated?

7. Bring out the relationship between Fixed cost, Variable cost, Average cost and Marginal cost with suitable illustrations.
8. Define Cobb-Douglas production function and analyse its managerial uses.
9. What is concentration of economic power? What are the causes and consequences of growing concentration of economic power in India?
10. Write short notes on :
  - (a) Hawkinssimon conditions
  - (b) Going rate pricing
  - (c) Peak load pricing.