TD241130D

Reg. No.............................

Name.................................

DIPLOMA EXAMINATION, NOVEMBER 2024
(2024 Admission Regular)
SEMESTER I – SKILL COURSE
DIPLOMA IN BUSINESS ADMINISTRATION
VBA1S02D24: AREAS OF FINANCIAL DECISIONS

Time: 3 Hours **Maximum Marks: 60**

PART A

I. Answer all the questions in this part. Each question carries 1 mark

A Choose the correct answer from the following options.

1. Cash budget is a combination of
   a. assets & liabilities
   b. receipts & payments
   c. investments & loans
   d. None of the above
2. Dividend Per Share ratio is part of
   a. Profitability ratio
   b. Short term solvency ratio
   c. Overall profitability ratio
   d. Turnover ratio
3. Debt Equity ratios show the relationship between shareholders fund and
   a. Short term debt
   b. Long term debt
   c. Current liability
   d. Total assets
4. Indirect overheads are given to different departments
   a. Allocated
   b. Apportioned
   c. Charged
   d. Distributed
5. In Cash Flow statement office expenses paid are shown in
   a. Cash flow from investing activities
   b. Cash flow from operating activities
   c. Cash flow from financing activities
   d. None of the above

B. Match the following

6.	Long term solvency	-	A. Emergency purchase
7.	Danger level	-	B. Receipts & Payments
8.	Cash budget	-	C. Debt equity ratio
9.	Current assets	-	D. Sales or profit
10.	Trend analysis	-	E. Current liability

C True | False

11. Expense Ratio is a part of Profitability Ratio.
12. Window dressing is a limitation of Trend analysis.
13. Debtors turnover ratio is expressed in times.
14. Ratio analysis considers only quantitative data.
15. Net cash from operations is computed in Fund Flow statement.

D Fill in the blanks with correct word.

16. Gross profit divided by ____________ gives you Gross Profit ratio.
17. For different level of production ______________ budget is prepared.
18. Debtors collection period can be computed using _____________ turnover ratio.
19. Profitability ratios are expressed in ________________.
20. _______________ is the starting point of cash budget.

(20 x 1 = 20)

PART B

II. Answer any 5 questions. Each question carries 2 marks.

21. What are the different classifications of budgets?
22. Explain the types of Short-term liquidity ratios.
23. Write 4 tools used in to analyse the financial positions.
24. Write limitations of Break even chart.
25. How is Interest Coverage ratio calculated?
26. Find out trend % for the following

	2012	2013	2014	2015	2016
Sales in Lakhs	400	320	480	500	620

27. Compute EOQ

Consumption PA	-	6000 units
Ordering cost per order	-	15/- per order
Inventory carry cost	-	0.50

Also find out number of orders to be placed during the year

(5x2= 10)

PART C

III. Answer any four questions. Each question carries 5 marks.

28. Compute different levels of stock

e. Reorder level

f. Minimum level

g. Maximum level

h. Average stock level

Maximum consumption in a month	-	300 units
Minimum consumption in a month	-	200 units
Normal consumption in a month	-	225 units
Time lag for procuring the material		
maximum	-	6 months
minimum	-	2 month
EOQ	-	750 units