

**M.Phil Commerce**

**MAY 2006 Paper I - RESEARCH METHODOLOGY**

**Time: Three hours Maximum: 100 marks**

**Answer any FIVE questions.**

1. Explain the types of research relevant to social Sciences.
2. Explain the meaning and significance of research design in social science research.
3. Highlight various methods used in selecting a sample from the population. Point out their merits and demerits.
4. Enumerate the different methods of collecting data. Explain its merits and demerits.
5. Describe the different methods of scale construction, pointing out the merits and demerits of each.
6. What is a hypothesis? Highlight the procedure of developing a good hypothesis.
7. Explain the significance of a research report and narrate the various steps involved in writing such a report.
8. What is processing of data? Explain the steps in data processing.
9. Define motivation research. Highlight the nature, scope, uses and limitations of motivation research.
10. Write short notes on : (a) Sampling error (b) Coding (c) Bibliography (d) Pilot study.

**MAY 2006 Paper II - FINANCIAL MANAGEMENT**

**Time: Three hours Maximum: 100 marks**

**Answer any FIVE questions.**

1. Explain the principal components of Indian Financial System.
2. What do you understand by Financial Statement Analysis? What are its limitations?
3. Explain the requirements of a good budgetary control system.
4. What are the repercussions if a firm has (a) Redundant working capital; (b) inadequate working capital? Explain.
5. What is Weighted Average Cost of Capital? Examine the rationale behind the use of weighted average cost of capital?
6. What do you understand by capital structure? Explain the considerations to be kept in view while devising the capital structure of a new public company.

7. From the following information, you are required to prepare a Balance Sheet.

(a) Current Ratio - 1.75 (b) Liquid ratio = 1.25 (c) Stock turnover ratio = 9 (cost of sales/closing stock) (d) Gross profit ratio = 25% (e) Debt collection period = 11 ½ months (f) Reserves and surplus to share capital = 0.2 (g) Turnover to fixed assets = 1.2 (h) Capital Gearing Ratio = 0.5 (i) Fixed assets to networth = 1.25

8. Draw material procurement budget (quantitative) from the following information. Estimated sales of a product 40,000 units. Each unit of the product requires 3 units of material A and 5 units of material B. Estimated opening balances at the commencement of the next year:

Finished product - 5,000 units Material A - 12,000 units Material B - 20,000 units (j) Sales for the year = Rs. 12,00,000. Materials on order: Material A -7,000 units Material B - 11,000 units

The desirable closing balances at the end of the next year: Finished product - 7,000 units Material A - 15,000 units Material B - 25,000 units. Material on order: Material A - 8,000 units Material B - 10,000 units.

9. The following data relate to a manufacturing company: Plant capacity = 4,00,000 units p.a Present utilization = 40% Actual for the year 1999 were: Selling price - Rs. 50 per unit Material cost - Rs. 20 per unit Variable cost - Rs. 15 per unit Fixed cost - Rs. 27 lakhs. In order to improve capacity utilization the following proposals are considered. Reduce selling price by 10% spend additionally Rs. 3lakhs on sales promotion. How many units should be sold to earn a profit of Rs.5 lakhs per year.

10. Star Ltd. is considering the purchase of a machine. Two alternative models are available. Relevant information is as follows:

	Machine X	Machine Y
	Rs.	Rs.
Cost of the machine	3,00,000	3,00,000
Savings in scrap	45,000	50,000
Savings in wages	1,40,000	1,80,000
Supervision	10,000	15,000
Maintenance	6,000	10,000
Indirect material	4,000	5,000
Tax rate	50%	50%

