

The LNM Institute of Information Technology, Jaipur

Fourth Year – Y11 End-Sem Examination: BUSINESS SKILLS (BASICS OF FINANCE) & SOFT SKILLS I

25 November 2014

Maximum time allowed: **3 hours**

Answer **ALL** questions.
They carry equal marks.

1. (a) Name the two largest sources of capital, which typically account for 90-100% of the total capital, of the major IT companies in India. (b) Briefly indicate how funds are raised from each of these. (c) Explain which financial ratio would gauge the effective use of this capital.
2. (a) Describe the Working Capital Cycle. (b) Name the components which impact the Cash Flow Statement. (c) Explain why and how.
3. (a) Explain the relationship between Quality of Earnings and Unholy Trinity. (b) The approach to each of the 3 constituents of the Unholy Trinity is 'process based', which is where IT has a crucial role to play. Please elaborate.
4. Explain in detail how by managing EPS, you can effectively gain the trust of all 3 principal stakeholders of your company.
5. Write a short note on any two of the following, one from each section:
 - (A) i. Operating Profit
ii. Retained profit
iii. NPV
 - (B) i. 'Deltability'
ii. 'Diamondability'
iii. 'Factorialability'