



NATIONAL OPEN UNIVERSITY OF NIGERIA
91, CADASTRAL ZONE, UNIVERSITY VILLAGE, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
JUNE/JULY 2017 EXAMINATION

COURSE CODE: ENT 332 **CREDIT UNIT:** 2
COURSE TITLE: INVESTMENT MANAGEMENT ANALYSIS II
TIME ALLOWED: 2 HOURS.

Instructions: 1. Attempt Question 1 and any other two (2) Questions.
2. Question 1 is compulsory and carries 30 marks. While the other 2 Questions carry 20 marks each.
3. Present all your points in coherent and orderly manner

Questions

1. March Haven's Income Statement, Opening and Closing Balance Sheets for 2011, 2012 and 2013

	2010	2011	2012	2013
Income Statements				
Sales Revenue		100,000	N120,000	N144,000
Cost of goods sold (with depreciation		55,000	66,000	79,200
Depreciation		15,000	18,000	21,600
Selling and Administrative expenses		15,000	18,000	21,600
Operating expenses		30,000	36,000	43,200
Interest expense		10,500	19,095	34,391
Taxable income		16,500	16,905	8,809
Income tax (40% rate)		7,800	6,762	3,524
Net income		11,700	10,143	5,285
Balance sheet (end of year)				
Cash and marketable securities	50,000	60,000	72,000	82,400
Accounts receivable	25,000	30,000	36,000	43,200
Inventories	75,000	90,000	108,000	129,600
Net plant and equipment	150,000	180,000	216,000	259,200
Total assets	300,000	360,000	432,000	518,400
Account payable	30,000	36,000	43,200	51,840
Short – term debt	45,000	87,300	141,957	214,432
Long – term debt				
(8% bonds maturing in 2007)	75,000	75,000	75,000	75,000
Total liabilities	150,000	198,300	260,157	341,272
Shareholders' equity				
(1 million shares outstanding)				
Other data	150,000	161,700	171,843	177,128
Market price per common stock				
At the end of the year				

		93.60	61.00	21.00
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- 1a. Determine the Total Asset Turnover in 2013 and why GI underperformed.
b. Analyze the Fixed Asset Turnover and its Stability for the periods under review. **30MARKS**
- 2a. Discuss four types of instruments traded in the money market.
b. What is Portfolio management and what are the objectives? **20MARKS**
- 3a. What are corporate bonds?
b. Discuss the three sources of common stock value? **20MARKS**
- 4a. What are portfolio management and what are the objectives (CAPM)?
b. What are Treasury notes and Bonds? **20MARKS**
- 5a. List (5) items that should be included in short-term financial plan of a company?
b. What are the roles of investment bankers in primary (new) issues in the market? **20MARKS**