

**UNIVERSITY COLLEGE TATI (UCTATI)****FINAL EXAMINATION QUESTION BOOKLET**

COURSE CODE	: DTG 2413
COURSE	: MANAGING FINANCIAL RESOURCES
SEMESTER/SESSION	: 1- 2024/2025
DURATION	: 3 HOURS

**Instructions:**

1. This booklet contains 4 questions. Answer **ALL** questions.
2. All answers should be written in answer booklet.
3. Write legibly and draw sketches wherever required.
4. If in doubt, raise your hands and ask the invigilator.

**DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO**

**THIS BOOKLET CONTAINS 5 PRINTED PAGES INCLUDING COVER PAGE**

**QUESTION 1**

- a) Define sole proprietorship (3 marks)
- b) Discuss **THREE (3)** use of ratio analysis to an investor. (8 marks)
- c) Balance sheet serves as a critical financial statement that provides essential information on a company's assets and liabilities. This information supports decision-making across various stakeholders. Illustrate **THREE (3)** types of decision support by the information. (6 marks)

**QUESTION 2**

- a) Describe **FOUR (4)** key characteristics of Sole Proprietorship. (8 marks)
- b) Analyse **FIVE (5)** characteristics of partnership. (10 marks)

### QUESTION 3

- a) Ratio for Company A and Company B.

**Company A**

Current ratio            1.8

Acid test ratio        1.2

**Company B**

Current ratio            2.4

Acid Test ratio        0.6

- i. Analyse the following business based on ratio given. (4 marks)
- ii. Measure the health of their liquidity position and makes appropriate advice for the company that is less liquid. (6 marks)

- b) Below are the details extracted from the books of Ayden & Co.

Sales = RM1,000,000

Cost of goods sold = RM975,000

Gross profit = RM525,000

Net income = RM200,000

Average total assets = RM3,000,000

Average stockholders' equity = RM2,400,000

- i. Calculate net profit margin (5 marks)
- ii. Find out gross profit margin (5 marks)
- iii. Outline the firm's profitability performance. (4 marks)
- iv. Propose how to increase the profit to the company. (6 marks)

- c) Analyse the following two businesses and assess the profitability as a result of trading.

<b>Supermarket A</b>	2021	2022
Gross profit margin	28%	28.2%
Net profit margin	4.9%	2.7%
<b>Supermarket B</b>		
Gross profit margin	32%	32.5%
Net profit margin	4.1%	8.9%

- i. Analyse the following two businesses in terms of profitability. (10 marks)
- ii. Justify which one is performing more efficient. (5 marks)

#### QUESTION 4

Zaharatul owns a bread factory. She is looking to expand her business in doing so she need to buy a new productive machinery . Zaharatul has searched online and found two machines that are able to increase the output. The cost of buying each machine and annual estimated net profits is shown in the table below:

Net Profit	Machine A	Machine B
Year 1	20,000	10,000
Year 2	30,000	20,000
Year 3	40,000	40,000
Year 4	20,000	60,000
Year 5	20,000	55,000
Total net profit	130,000	185,000
Cost	80,000	120,000

- i) Calculate ARR for Machine A and Machine B. (16 marks)
- ii) Propose best choice of machinery for Zaharatul expansion plan. (4 marks)

-----End of question-----

