



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.

Supermarket A

Gross profit margin

2021

2022

28%

28.2%

Net profit margin

4.9%

2.7%

Supermarket 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-----

