

Register Number:

Date: /04/2020

**ST. JOSEPH’S COLLEGE (AUTONOMOUS) BENGALURU-27**

**BBA SF - IV SEMESTER**

**SEMESTER EXAMINATION: APRIL 2022**

**(Examination conducted in July-August 2022)**

**BBA SF 4219: Financial Decision Making II**

**This paper contains two printed pages and four parts**

**Time: 2 1/2 hrs Max marks: 70 marks**

**SECTION A**

**Answer any FIVE of the following questions. Each question carries two marks. (5x2= 10)**

1. What are the three elements of CVP analysis?
2. Define sunk cost with an example.
3. What is business risk?
4. What is Net Present Value?
5. Define Business Ethics.
6. What is Business Sustainability?

**SECTION B**

**Answer any THREE of the following questions. Each question carries five marks. (3x5=15)**

1. Differentiate between relevant and irreverent cost.
2. Calculate Contribution per unit, Operating Profit and Break-even point

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Product A | Product B | Product C | Product D |
| Expected Sales | $10,000 | $10,000 | $10,000 | $1,000 |
| Selling price per unit | $10 | $4 | $6 | $3 |
| Variable cost per unit | $7 | $1 | $5 | $2 |
| Fixed Cost | $200 |

1. Explain the ways to implement risk responses.
2. Discuss the IMA’s four standards of ethical conduct.

**SECTION C**

**Answer any TWO of the following questions. Each question carries fifteen marks. (2x15=30)**

a) Cost Volume Profit analysis with the following details

Sales volume in units 1,400

Sale price per unit $500

Variable cost per unit $300

Fixed cost $100,000

**Calculate (2.5 marks each)**

* 1. How will profit change if the sales price increases by $50 per unit (10 percent)?​
	2. How will profit change if sales volume decreases by 140 units (10 percent)?​
	3. How will profit change if fixed costs decrease by $30,000 (30 percent)
	4. How will profit change if variable cost increases $30 per unit (10 percent)?​

​b) What are the four-fold views of Carroll’s CSR Pyramid? (5 marks)

1. Discuss the risk mitigation strategies in detail.
2. What are the four IMAs overarching ethical principles. Discuss in Detail.

**SECTION D**

**Answer the following compulsory questions. (1x15=15)**

1. Discuss the stages of Capital Budgeting. (7 marks)
2. Explain the four categories of capital budgeting applications for the process of decision analysis. (8 marks)

**--- END OF THE QUESTION PAPER ---**