

**Goa Vidyaprasarak Mandal's Gopal Govind Poy Raiturcar College of
Commerce and Economics, Ponda Goa**

M.Com. Semester I

ISA II September 2024

COM 500: Advanced Financial Management

Time: 1 hour

Marks: 20

Q.1. Damodar Manufacturer fitted water coolers. It has a turnover of 30 lakhs and expenses incurred during the year are 50% of the turnovers including fixed expenses of 20%. The company paid interest of 9% on its sales. if 30% tax is paid by the Damodar Manufacturer then calculate.

- a) Operating Leverage
- b) Financial Leverage
- c) Combined leverage
- d) Earning per share (200000 equity shares of 10 each)

What is the percentage change required in sales if the earnings per share need to increase by 20%?

(15 marks)

(BL4 CO2)

Q.2. Answer Any One of the following.

(5marks each)

A. Discuss the theories of Capital Structure.

(BL1 CO2)

B. Capital Budgeting Process

(BL1 CO2)