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

**BBA/BBASF – IV SEMESTER**

**SEMESTER EXAMINATION: APRIL 2023**

**(Examination conducted in May 2023)**

**BASF4322 - FINANCIAL DECISION MAKING II**

**(For Current Batch Students Only)**

Time- 2 hrs Max Marks-60

**This paper contains 2 printed pages and four parts**

**PART - A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. What do you mean by Break Even Analysis?
2. Give the format for Marginal Cost Statement.
3. What is Business Ethics?
4. Give the meaning of ERM.
5. What is Pay-back period?
6. What do you mean by Residual Risk?

**PART - B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. Suppose you buy a ticket to a concert for $250. On the night of the concert, you remember that you have an important assignment due on the same night. Mention the type of cost and give a suitable decision for the case.
2. Write a short note on Cannibalization.
3. A company is considering making a $550,000 investment in new equipment. The expected cash flows are as follows: Calculate the Pay-back period:

| Year 1 | $75,000 |
| --- | --- |
| Year 2 | $140,000 |
| Year 3 | $200,000 |
| Year 4 | $110,000 |
| Year 5 | $60,000 |

1. Explain the Capital budgeting techniques
2. Explain the types of Fraud.

**PART - C**

**III.** Answer ***any two*** of the following (**2x10 = 20 Marks)**

1. XYZ Company is considering investing in a project that requires an initial investment of $200,000 for some machinery. There will be net inflows of $40,000 for the first two years, $20,000 in years three and four, and $30,000 in year five. Finally, the machine has a salvage value of $25,000. Calculate the Accounting Rate of Return.
2. Write a short note on Sustainability and social responsibility.
3. Enumerate the process to manage the risk.

**PART - D**

**IV. Answer the following (1x10=10 Marks)**

1. Explain in detail the benefits of Enterprise Risk Management.