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**ADVANCED DIPLOMA IN AIR CARGO
MANAGEMENT (ADACM)**

Term-End Examination

December, 2010

**MAV-032 : ECONOMICS AND FINANCIAL
MANAGEMENT IN AIRLINE BUSINESS**

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions. All questions carry equal marks.

1. (a) Explain the main features of the industrial policy resolution 1948. 10
- (b) What is the nature of Modern Business ? Explain. 10
2. Explain in detail the various analytical tools for evaluating the financial health of a Company. 20
3. (a) Explain internal environment of business. 10
- (b) What are the measures that need to be taken to tackle energy crisis ? 10

4. (a) What are the strategies followed by business enterprises in a situation of business collusion in order to achieve their objectives ? 10
- (b) Explain the basic characteristic of India as a developing country. 10
5. The following is the Balance Sheet of M/s. PJS Ltd. for the year ended 31st March 2010. 20

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	4,00,000	Good will	1,50,000
Reserves	40,000	Building	2,00,000
Profit and Loss a/c	80,000	Machinery	2,50,000
Debenture	1,00,000	Stock	80,000
Secured Loans	1,00,000	Sundry Debtors	60,000
Creditors	80,000	Bills Receivable	40,000
Provision for tax	50,000	Cash at Bank	50,000
Bills Payable	40,000	Preliminary Expenses	60,000
	8,90,000		8,90,000

You are required to calculate :

- (a) Current Ratio.
- (b) Liquid Ratio.
- (c) Gross Capital Employed.
- (d) Net Capital Employed.
- (e) Average Capital Employed.
- (f) Return of Capital Employed Ratio.

6. (a) From the following information given below you are required to calculate operating profit ratio : 10

	Rs.
Gross Sales	6,50,000
Sales Return	50,000
Opening stock	25,000
Closing stock	30,000
Purchases	4,10,000
Office and administrative expenses	50,000
Selling and Distribution expenses	40,000

- (b) Briefly explain the sources from which information can be gathered for Financial Statement Analysis of a Company. 10
7. (a) What are the major issues of development in India ? 10
- (b) Describe classification of economics. 10
8. (a) Explain the objectives of preparation of Trial Balance. What are the nature of errors found in financial statements ? How are they classified ? 10
- (b) What are the Limitations of Financial Analysis ? 10