

SYLLABUS 2008

PAPER 12 : Financial Management & International Finance

Questionwise Performance of the Candidates

Question-1a

Good performance. Most of the examinees have answered well.

Question-1b

Performance is satisfactory except in answering Part (I), (VI) and (IX).

Question-2a

Average to poor performance. Very poor concept of working capital. Many examinees have failed to even classify between current assets and current liabilities and group them properly which is surprising at this level.

Question-2b

Satisfactory though in some instances the examinees have got it correct only upto expected rate of return but failed to determine price of security.

Question-3a

Poor performance. Mostly left out. Could not even worked out "Present collection period" and finally 'opportunity cost'.

Question-3b

Satisfactory. Valid points touched upon.

Question-4a

Average performance. Cash Flow After Tax (CFAT) could not be computed correctly.

Question-4b

Poor performance. No idea about marketable securities.

Question-5a

Average to poor performance observed. Majority have failed to correctly determine indifference level of EBIT.

Question-5b

Good expression. Features of venture capital correctly explained.

Question-6a

Performance is good.

Question-6b

Average performance. Many have confused with Bid and Ask to apply in computing cross rates.

Question-6c

Average performance seen. Majority have concentrated their views on exchange rate, inflation etc.

Question-7a

Average performance. Often failed to compute exposure with forward cover.

Question-7b

Confusion in applying Bid or Ask rate to arrive at the final answer.

Question-7c

Poor performance. Instead of assumptions pricing model was discussed.

Question-8a

Poor performance. No clear idea about Social Cost Benefit Analysis.

Question-8b

Again poor performance. Not properly answered.

Question-8c

Mostly vague answers. Lack in conception.

Question-8d

Instead of explaining Leveraged Lease, types of leases discussed upon. Poor performance observed.

Overall performance of the candidates

Overall performance may be considered satisfactory.

In theory questions conceptually correct answers with valid and relevant points were missing.

Standard of Question

Questions were framed to cover important topics of the subject and were in line with the candidates expectations.

Suggestions on improvement

Level of knowledge should be upgraded which can be possible through intense reading and rigorous practice. Study of text book with standard reference books (updated edition), past question papers along with suggested answers will help immensely in this regard.

Effective time management is another aspect which needs to be taken care of to face the challenge during examination time.