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## Third Semester MBA Degree Examination, Dec.2018/Jan.2019 Strategic Credit Management

Time: 3 hrs.

Max. Marks:80

Note: 1. Answer any **FOUR** full questions from Q.No.1 to Q.No.7.  
2. Question No. 8 is compulsory.

- 1 a. What is credit management? (02 Marks)  
b. Explain the credit institutions in India. (06 Marks)  
c. Explain principles of good lending. (08 Marks)
- 2 a. What is financial projection? (02 Marks)  
b. Discuss the credit analysis of consumer loan. (06 Marks)  
c. Explain fundamental credit issues. (08 Marks)
- 3 a. What do you mean by consumer loan? (02 Marks)  
b. Discuss the feasibility study. (06 Marks)  
c. What are the types of consumer loan? Explain. (08 Marks)
- 4 a. What is hypothecation? (02 Marks)  
b. Explain Advance against document to title to goods. (06 Marks)  
c. What is mortgage? Explain its types. (08 Marks)
- 5 a. What is agricultural finance? (02 Marks)  
b. Discuss the asset classification and effect of IOPA on profitability. (06 Marks)  
c. Explain NABARD initiatives for agriculture. (08 Marks)
- 6 a. What is non-performing asset? (02 Marks)  
b. Discuss the finance to Gobar gas plant. (06 Marks)  
c. What are the tools to manage NPA? Explain any 3. (08 Marks)
- 7 a. What is supply bill? (02 Marks)  
b. Discuss the lead bank scheme. (06 Marks)  
c. Explain the credit process. (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.  
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

8 Compulsory:

Following is the balance sheet of Bharat Ltd. as on 31.03.2010

Liabilities	Amount (Rs.)	Asset	Amount (Rs.)
Share capital	6,00,000	Fixed Asset	10,00,000
Reserves and Surplus	4,20,000	Current Asset	
Long term loans	11,60,000	Stock	12,00,000
Bank OD	3,50,000	Debtors	5,00,000
Current Liabilities	4,70,000	Bank	3,00,000
	30,00,000		30,00,000

Income statement for the year ended 31/03/2010

Particulars	Amount (Rs.)
Net sales (Credit)	40,00,000
Cost of goods sold	25,00,000
Gross profit	15,00,000
Operating expenses	9,20,000
Non-operating profits	20,000
Operating profit	5,80,000
EBIT	6,00,000
Interest	1,80,000
Profit Before Tax	4,20,000
Tax	2,20,000
Profit after tax	2,00,000

Calculate the following ratios and analyse.

- (i) Current ratio.
- (ii) Total debt equity ratio.
- (iii) Average collection period.
- (iv) Total asset turnover.
- (v) Net Profit margin.
- (vi) Return on equity.

(16 Marks)

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