

K. E. Society's  
**Rajarambapu Institute of Technology, Rajaramnagar**  
 (An Autonomous Institute, affiliated to SUK)  
**Second Year MBA-IEV (SEM-I)**

QP code  
 UT136

**Unit Test- II**

**Course Code:** MIF205

**Course Name:** Financial Analysis and Business Valuation

**Date:** 23/12/2022

**Time:** 3.45 pm to 4.45 pm

**Max Marks:** 25

- Instructions:** 1) All questions are compulsory.  
 2) Figures to the right indicate maximum marks.

**Que. 1.** Attempt the following.

Established in 1910, ITC is the largest cigarette manufacturer and seller in the country. ITC operates in five business segments at present — FMCG Cigarettes, FMCG Others, Hotels, Paperboard Agri-Business Packaging, and Agri-Business.

Following are the details of the cash flow of ITC.

Narration	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
<b>Cash from Operating Activity</b>	<b>13,169.40</b>	<b>12,583.41</b>	<b>14,689.66</b>	<b>12,526.97</b>	<b>15,775.51</b>
Cash from Investing Activity	-7,113.89	-5,545.68	-6,174.02	5,739.98	-2,238.49
Cash from Financing Activity	-6,221.13	-6,868.64	-8,181.48	-18,633.83	-13,580.50
<b>Net Cash Flow</b>	<b>-165.62</b>	<b>169.09</b>	<b>334.16</b>	<b>-366.88</b>	<b>-43.48</b>

**Required:** Analyze the cash flow position of the company and a brief comment on the trends shown in the table along with appropriate interpretation. (CO\_4 Marks 8)

**Que. 2.** The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. HDFC Bank is a publicly held banking company, the bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. It is engaged in providing a range of banking and financial services including retail banking, wholesale banking and treasury operations. It is promoted by HDFC Ltd. which has 19.32% stake as on September 30, 2020. Currently, HDFC Bank Ltd. (HBL) is the largest private sector bank in India. (CO\_3 Marks 8)

**Required:** Analyze the profitability of the HDFC Bank Ltd. with proper justification.

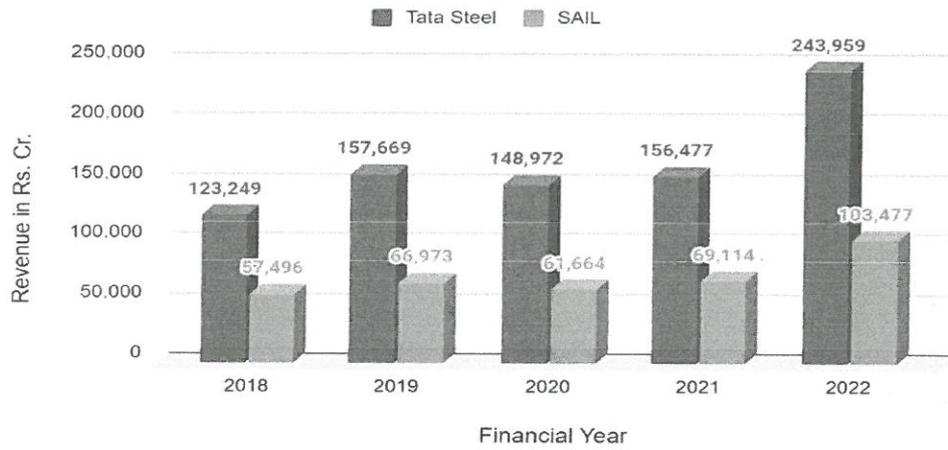
Narration	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
<b>Sales</b>	<b>85,287.84</b>	<b>1,05,160.74</b>	<b>1,22,189.29</b>	<b>1,28,552.40</b>	<b>1,35,936.41</b>
Expenses	29,532.26	34,856.27	45,459.21	52,456.53	56,556.96
<b>Operating Profit</b>	<b>55,755.58</b>	<b>70,304.47</b>	<b>76,730.08</b>	<b>76,095.87</b>	<b>79,379.45</b>
Other Income	16,056.60	18,947.05	24,878.97	27,332.88	31,758.99
Depreciation	966.78	1,220.67	1,276.77	1,385.01	1,680.73
Interest	42,381.48	53,712.69	62,137.42	59,247.59	58,584.33
Profit before tax	28,463.92	34,318.16	38,194.86	42,796.15	50,873.38
Tax	9,903.08	11,872.55	10,898.59	10,939.38	12,722.48
<b>Net profit</b>	<b>18,510.02</b>	<b>22,332.43</b>	<b>27,253.95</b>	<b>31,833.21</b>	<b>38,052.75</b>



(PTO)

**Que. 3.** Following graph and tables shows the comparative growth of Tata steel and SAIL. Analyze the given details and comment on the best performer company with proper justification. (CO\_3 Marks 9)

**Tata Steel Vs SAIL - Revenue Growth**



Year	Tata Steel Net Profit Growth	SAIL Net Profit Growth
2022	40,154	12,243
2021	7,490	4,148
2020	1,557	2,121
2019	10,218	2,349
2018	13,434	-281

Year	Tata Steel Operating Profit Margin	SAIL Operating Profit Margin
2022	26%	23%
2021	19%	18%
2020	12%	17%
2019	19%	15%
2018	17%	8%

