### Sir M. Visvesvaraya Institute of Management Studies & Research

#### **Subject: FINANCIAL MANAGEMENT**

#### Dr. Vasumathy Hariharan

Q-1	CASE STUDY
	CASE STOD I

Mr Anand runs a company operating in the Retail Industry. The company was doing good business during the year 2017. But during the year 2018 it was decided to infuse additional capital to the tune of 200,000 Rs @ 6% by issuing debentures. The company has an equity capital of Rs 3,00,000. Additional information

Particulars	2017	2018	2019
Sales in units	2000	2200	1900
Selling Price PU	300	300	300
Variable Cost Per unit	150	150	150
Fixed Cost	2,00,000	2,00,000	2,00,000

You are required to calculate the following for all the three years

- 1. Operating Leverage
- 2. Financial Leverage
- 3. Combined Leverage
- 4. Comment on whether the debt capital infusion has increased the wealth of the shareholders assuming the face value of a share is Rs10. Explain the theoretical implications.

(5)

(5)

(5) (5)

### Peer Review and Critique Comment

Subject -Financial Management (Semester II)

Review -

The mentioned case shows In-Dept Analysis of the concept of leverage with the Sales and Cost of the company.

Suggestive Recommendation-

The faculty can incorporate more financial data or industry benchmarks to provide holistic view of industry performance.

Dr. Priyanka Dukhande

(Asst. Professor and Finance Faculty)

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implications.

		CASE STUDY		
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business during the	year 2017. But	during the year 2018	B it was decided to infuse ac	dditional
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capital of Rs 3,00,00	0. Additional i	nformation	the company mas as	requity
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Fixed Cost	2,00,000	2,00,000	2,00,000	
You are required to of 1. Operating Levera 2. Financial Levera 3. Combined Lever 4. Comment on who	age ge age		ncreased the wealth of the	(1)

You also need to compare these ratios with industry benchmarks (assume) to evaluate the company's performance relative to its peers in the retail industry. Additionally, consider the time value of money and the impact of interest expenses on the company's profitability when assessing shareholders' wealth.

# SIR .M. VISVESVARAYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH ( SVIMS) MMS 2021-2023 Sem II

NAME OF THE FACULTY: Dr. S. Vasumathy Hariharan

SUBJECT: Financial Management

Roll No.	NAME OF THE STUDENT	8
	DATE	4-8
	TIME	9-12
12001		A
12002	Bhowal Rani	P
12003	Bohra Dharma	P
	Borkar Asmita	A
12005	Chitte Mayuri	P
	5	P
12007	Dabhade Aniket	P
12008	Darade Samruddhi	A
	Dasurkar Akash	P
12010	Dengale Sakshi	P
12011	Desai Shivani	P
	Gawali Prajwalit	P
12013	Goregaonkar Rohit	P
12014	Gurunarayan Ashishkumar	A
	Jadhav Rupali	P
	Jadhav Sakshi	A
	Jadhav Simran	A
	Jayant Joshi	P
	Kadam Apurva	P
	Kale Omkar	P
12021	Kamble Sushil	P
	Kawale Dhanashri	P
	Kolge Shraddha	P
	Kongre Suchita	A
	Kumar Hekre	A
	Kumbhar Akshay	P
12027	Mathew Nevin	P
12028	Maurya Akshata	A
12029	Maurya Manisha	A
12030	Mishra Kaustub	A
12031	Namugade Sharwari	P
12032	Narone Siddharth	P
12033	Navrat Devika	P

12034	Nibre Tejal	P
12035	Pachupate Disha	A
12036	Panda Deepak	A
12037	Pathan Aasma	P
12038	Rokade Sushant	P
12039	Salve Akshay	A
12040	Salve Hrithik	P
12041	Satve Sahil	P
12042	Saurabh Deshmukh	P
12043	Shaikh Mohd Nauman	A
12044	Shrungarpure Pradosh	A
12045	Singh Priyanka	A
12046	Singh Shivani	A
12047	Sonawane Saurabh	A
12048	Sonkamble Sonali	A
12049	Suryagandh Pooja	A
12050	Suryagandh Priti	A
12051	Suryawanshi Tejaswini	A
	Tambe Pranjal	P
	Tawade Prachi	P
12054	Vishwad Neeraj	P
	Vivek Hattarkal	P
	Waghchore Pratiksha	P
	Yadav Satyam	P
12058	Yeshwante Nikhil	P

Sir.M.Visvesvaraya Institute of Management Studies and Research(SVIMS) Faculty Feedback : MMS I (2022)

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The Faculty is a good role model	The Faculty focuses on application of theory learnt into practice	The Faculty makes complex aspects and concepts simple and easy to understand	The Faculty is audible, loud and clear in the class	The Faculty is open to providing support whenever needed	The Faculty is available for consulting and mentoring after class	The Faculty is fair in evaluation and feed back	The Faculty makes the use of allotted time well	The Faculty covers all the topics in the course	The Faculty is punctual and regular	Encourages students to ask questions and participate	The Faculty encourages participation	The Faculty creates interest in the subject	The faculty explains giving practical examples	The Faculty has a thorough knowledge of the subject	The Faculty is well prepared for each class	Parameters	Students
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