

**UNIVERSITY COLLEGE TATI (UCTATI)****FINAL EXAMINATION QUESTION BOOKLET**

COURSE CODE	: DTG 2653
COURSE	: BUSINESS ANALYSIS
SEMESTER/SESSION	: 1 – 2023/2024
DURATION	: 3 HOURS

Instructions:

1. This booklet contains 5 questions. Answer **ALL** questions.
2. All answers should be written in answer booklet.
3. Write legibly and draw sketches wherever required.
4. If in doubt, raise your hands and ask the invigilator.

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO

THIS BOOKLET CONTAINS 8 PRINTED PAGES INCLUDING COVER PAGE

QUESTION 1

- (a) Explain **TWO (2)** reasons of the individual investments (4 Marks)
- (b) Ahmad has RM50,000 to invest in a portfolio which consist of two types of investment. Investment A expects the return of 12% per year with and investment B with 7% per year.
- (i) Despite of volatility and investment risk, express the best investment should Ahmad choose for his investment. (2 Marks)
- (ii) Compare the expected return to be received by him for both investment (4 Marks)
- (c) Explain the meaning of Return on Investment (2 Marks)
- (d) Ahmad has invested in BU Company Sdn Bhd as much as RM15,000 at RM0.50 per share since **THREE (3)** years ago. Today he realises that the share price of this company has increased to RM1.50.
- (i) Give the historical rate of return for his investment (2 Marks)
- (ii) Predict his current investment value and the profit he will make if he liquidates his investment (4 Marks)
- (e) Explain the meaning of risk averse (2 Marks)

QUESTION 2

- (a) Give **FOUR (4)** broad factors that are useful in understanding the nature of an industry (8 Marks)
- (b) Give **THREE (3)** steps in conducting market research (6 Marks)
- (c) Give **THREE (3)** ways in differentiating your business to capture the market (6 Marks)

QUESTION 3

Analyze the following details and prepare the projection cashflow for the period of 12 months (20 Marks)

- ABC Sdn Bhd involves in Melon Manis Terengganu agriculture business
- It plants 3,000 units of Melon with 95% capacity of output
- The farming circle is one season in every two (2) months and a resting period of a month in between the season.
- The retails price per unit is RM10
- The costs of this business are as followed:
 - o Seeding cost - RM0.03 per unit
 - o Fertilizing materials and activities – RM0.10 per unit
 - o Water and utilities – RM200 per month
 - o Transportation cost – RM300 per month
 - o Wages – RM500 per month (required 2 staffs)
 - o Promotion and marketing – RM250 per month

QUESTION 4

- (a) Explain the definition of risk (2 Marks)
- (b) Explain the definition of risk premium and market risk premium (4 Marks)
- (c) Calculate the RM return for the following details
- (i) Omar invested in year 1 - RM50, he received RM2 as a dividend for year 1. The price of this investment has increased to RM55.50 in year 2. (4 Marks)
 - (ii) Ayu invested in year 3 - RM100, she received RM5 as a dividend for that year and the price of this investment has increased to RM150 in the subsequent year. (4 Marks)
- (d) Calculate the percentage return for both of the above cases (4 Marks)
- (e) Predict the situation where the risk of an average +1-stock portfolio as more randomly selected stocks were added (4 Marks)
- (f) Illustrate the meaning of stand-alone risk (2 Marks)

QUESTION 5

The subsequent questions will be based to the following financial statements

Company No.: 201101007419 (935557-K)

MICRO ENERGY HOLDINGS (M) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31.12.2019 RM	30.6.2019 RM
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	4	369,773	280,988
CURRENT ASSETS			
Inventories	5	250,129	252,558
Trade receivables		2,260,451	2,869,096
Other receivables and deposits	6	1,201,179	449,830
Deposits with licensed bank	7	161,950	160,000
Cash and bank balances		281,872	61,556
		<u>4,155,581</u>	<u>3,793,040</u>
TOTAL ASSETS		<u>4,525,354</u>	<u>4,074,028</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	1,000,000	1,000,000
Retained earnings		498,129	449,271
TOTAL EQUITY		<u>1,498,129</u>	<u>1,449,271</u>
NON-CURRENT LIABILITIES			
Hire purchase payables	9	151,522	116,065
Term loans	10	361,324	519,499
Deferred tax	11	177,026	177,026
		<u>689,872</u>	<u>812,590</u>
CURRENT LIABILITIES			
Trade payables		361,926	86,048
Other payables and accruals	12	238,337	207,147
Amount due to directors	13	203,257	427,609
Deposit received		138,047	713,170
Hire purchase payables	9	54,447	46,874
Borrowing	14	996,000	-
Term loans	10	345,339	331,319
		<u>2,337,353</u>	<u>1,812,167</u>
TOTAL LIABILITIES		<u>3,027,225</u>	<u>2,624,757</u>
TOTAL EQUITY AND LIABILITIES		<u>4,525,354</u>	<u>4,074,028</u>

The accompanying notes form an integral part of the financial statements.

Company No.: 201101007419 (935557-K)

MICRO ENERGY HOLDINGS (M) SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	1.7.2019 to 31.12.2019 RM	1.7.2018 to 30.6.2019 RM
Revenue	15	6,449,116	7,227,680
Cost of sales		<u>(4,415,485)</u>	<u>(3,685,244)</u>
Gross profit		2,033,631	3,542,436
Other operating income		7,700	1,940
Administration expenses		(1,228,467)	(2,040,586)
Other operating expenses		<u>(711,696)</u>	<u>(1,027,176)</u>
Profit from operations	16	101,168	476,614
Finance costs	17	<u>(52,310)</u>	<u>(96,781)</u>
Profit before tax		48,858	379,833
Income tax expense	18	<u>-</u>	<u>-</u>
Profit for the period/year		<u><u>48,858</u></u>	<u><u>379,833</u></u>

- (a) Calculate the gross margin of this company for year 2018 and 2019 (2 Marks)
- (b) Calculate the net margin of this company for both years (2 Marks)
- (c) (i) Calculate the current ratio of the company for both years
(ii) Compare the performance of the current ratio between both years (4 Marks)
- (d) (i) Calculate the return on equity (ROE) for both years
(ii) Compare the performance of ROE for both years (4 Marks)
- (e) (i) Calculate the return on assets (ROA) for both years
(ii) Compare the performance of ROA for both years (4 Marks)

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- (f) (i) Calculate the debt service coverage ratio (DSCR) for both years
(ii) Compare the performance of DSCR for both years (4 Marks)

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