

**FINA 301 FINANCIAL MANAGEMENT
 SPRING 2018-2019
 HOME WORK I**

**Deadline: 21/03/2019 for Groups 2 & 1;
 22/03/2019 for Group 3**

The assignment should be submitted at the tutor hour. Late assignments will not be graded.
 Answers should be written individually.

The assignment should be clearly written on A4 paper sheets, sloppy work will not be accepted. (Please show the calculations that you made with the formulas)

QUESTIONS:

1. A. What are the financial management decisions? Explain briefly.
 B. Compare between the sole proprietorship, the partnership and the corporation form of business.
 C. What is the goal of financial management? And in what case does agency problem happens? How to solve it?

2. You have the following data of Bayern Inc.

31/12/2018	
Cost of goods sold	108,660
Cash	19,540
Depreciation	27,300
Interest expense	5,520
Selling & Administrative expenses	20,790
Accounts payable	24,734
Fixed assets	133,400
Sales	201,200
Accounts receivable	12,520
Bank overdraft	11,000
Long-term debt	64,065
Inventory	25,765
New equity	10,000
Tax rate	20%
Dividend percentage	30%

31/12/2017	
Fixed assets	105,000
Long-term debt	53,000
Net working capital	7,625

- Prepare a balance sheet and Income statement in the correct order.
- Calculate: Operating cash flow, Cash flow from assets, Cash flow to creditors and cash flow to stock holders.
- Calculate: Current ratio, Quick ratio, Cash ratio, Du Pont identity, Total debt ratio, Debt-equity ratio, Return on assets, Return on equity, Retention ratio, Internal growth rate, Sustainable growth rate.