UTHM
Universiti Tun Hussein Onn Malaysia

UNIVERSITI TUN HUSSEIN ONN MALAYSIA

FINAL EXAMINATION
SEMESTER II
SESSION 2016/2017

COURSE NAME	:	CONSTRUCTION FINANCE
COURSE CODE	:	BNC 40103
PROGRAMME	:	BNC
EXAMINATION DATE	:	JUNE 2017
DURATION	:	3 HOURS
INSTRUCTION	:	ANSWER **ALL** QUESTIONS

TERBUKA

THIS QUESTION PAPER CONSISTS OF **FIVE (5)** PAGES

Q1   (a)   Differentiate Mezzanine and Senior debt.

(6 marks)

(b)   ALPHA electric company manufactures a number of electrical products. Rechargeable light is one of the ALPHA's products that sells for RM 180/unit. Total fixed expenses related to rechargeable electric light are RM 270,000 per month and variable expenses involved in manufacturing this product are RM 126 per unit. Monthly sales are 8,000 rechargeable lights.

   (i)   Calculate the break-even point of the company in Ringgit Malaysia and units.

(6 marks)

   (ii)   Sketch a break-even chart to illustrate the answer from **Q1(b) (i)**.

(6 marks)

   (iii)   Calculate the number of rechargeable lights to be sold to earn a net operating income of RM 189,000 per month

(3 marks)

(c)   You have a retirement account with RM 2000 in it. The account earns 6.2% interest, compounded monthly. Calculate how much will be in the account at the end of 20 years?

(4 marks)

Q2   Each country or individual has its own financial success or failure stories. Based on your financial knowledge;

(a)   Assess **ONE (1)** global crisis and discuss on the background and lessons learnt.

(10 marks)

(b)   Illustrate **TWO (2)** successful individuals or companies who have been opportunist in their journey to success.

(15 marks)

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Q3   (a)   Risk analysis can be used throughout a project to improve the quality of technical evaluations and improve risk mitigation techniques.

   (i)   Identify and explain **TWO (2)** broad categories of risk.

(6 marks)

   (ii)   Sensitivity analysis is part of the Monte Carlo Simulation on how the uncertainty in the output of a mathematical model or system can be apportioned to different sources of uncertainty in its inputs. Describe the use of sensitivity analysis.

(6 marks)

   (b)   Investment decision is important to maintain the economic well being of a company.

   (i)   Define Life Cycle Cost (LCC) Analysis.

(3 marks)

   (ii)   Develop **FIVE (5)** examples of LCC of a building.

(10 marks)

Q4   Exide Company sells batteries that are used in vehicles. The current assets and current liabilities as at 31 December, 2016 are given in **Table Q4 (a).** The YXM Sdn. Bhd. is a consultant company with current assets and current liabilities as at 31 December, 2016 are given in Table **Q4 (b).**

   (a)   List the current assets for Exide Company and YXM Sdn. Bhd.

(8 marks)

Exide Company	
Cost of goods sold	RM300,000
Inventory	RM40,000
Accounts receivables	RM50,000
Notes receivables	RM10,000

YXM Sdn. Bhd.	
Inventory	RM40,000
Accounts receivables	RM20,000
Cash	RM200,000
Securities	RM100,000

(b)   Calculate the working capital turnover ratio for Exide Company and YXM Sdn. Bhd.

(10 marks)

(c)   Compare and explain calculation results from (b).

(5 marks)

(d)   Calculate the return of the capital if Exide Company get RM 100,000.00 profit a year with RM 250,000.00 investment.

(2 marks)

–   **END OF QUESTIONS** –

FINAL EXAMINATION

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Table Q4 (a)

Exide Company	
Cost of goods sold	RM300,000
Accounts payable	RM60,000
Inventory	RM40,000
Accounts receivables	RM50,000
Notes receivables	RM10,000
Cash	RM20,000

Table Q4 (b)

YXM PTE. LTD.	
Current debt	RM40,000
Accounts payable	RM80,000
Inventory	RM40,000
Accounts receivables	RM20,000
Accrued expenses	RM30,000
Cash	RM200,000
Securities	RM100,000
Cost of goods sold	RM500,000

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