



UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
OCTOBER 2025 SEMESTER

COURSE CODE : EIB11503
COURSE TITLE : MANAGERIAL FINANCE
PROGRAMME NAME : BACHELOR IN ISLAMIC FINANCE WITH HONOURS
DATE : 25 JANUARY 2026
TIME : 2:00PM - 5:00PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consist of TWO sections.
4. Answer ALL questions for Section A.
5. Section B consist of four questions. Answer THREE (3) questions only.
6. Please write your answer on the answer booklet provided.
7. Please answer all questions in English only.
8. Please answer MCQ/EMQ questions using OMR sheet. *Tick if applicable*
9. Refer to the attached Formula/ Appendies. *Tick if applicable*

THERE ARE 8 PAGES OF QUESTIONS INCLUDING THIS PAGE

SECTION A (Total: 40 marks)

Answer ALL questions.

Please use the answer booklet provided.

Question 1

Answer the following:

- (a) Financial ratios are mathematical aids for evaluation and comparison of financial performance. They are computed based on the firm's financial statement. List **FIVE (5)** types of financial ratio.

(5 marks)

- (b) Briefly describe **TWO (2)** of the above ratios.

(5 marks)

Question 2

Answer the followings:

- (a) Cash flow is the life blood of a business entity and so it makes sense for financial managers to keep track of the movement of anticipated cash flows in terms of inflows and outflows. Briefly explain the importance of cash budget used by firms to manage cash flows (4 marks)
- (b) Briefly describe the components in the cash budget that firms usually prepare.
- i. Cash receipts section. (2 marks)
 - ii. Cash payments section. (2 marks)
 - iii. Financing section. (2 marks)

Question 3

Provide the following **DEFINITION** the following terminology.

- i. Compounding (2 marks)
- ii. Discounting (2 marks)
- iii. Depreciation (2 marks)
- iv. Amortization (2 marks)
- v. Annuity (2 marks)

Question 4

Answer the following:

- (a) Distinguish the following terms used in financial industry
 - i. Realized return (2 marks)
 - ii. Expected return (2 marks)
- (b) Briefly explain the measurement of risk used to assess the level of risk inherent in a investment portfolios. Managers used them to guide their investment strategy. (6 marks)

SECTION B (Total: 60 marks)

Answer THREE (3) questions only.

Please use the answer booklet provided.

Question 1

Koperasi Salam Berhad (KSB) has the following capital structure:

Security	Weight (%)	Cost (%)
Debt	40	6
Preference shares	10	9
Ordinary shares	50	12

The corporate tax rate is 25%. You are required to:

- (a) Calculate the firm's current WACC (7 marks)

- (b) The financial manager suggests a new capital structure for KSB as follows :

Security	Weight (%)	Cost (%)
Debt	60	9
Preference shares	5	10
Ordinary shares	35	14

Recalculate KSB WACC.

(7 marks)

- (c) Which plan is optimal for KSB? (2 marks)

- (d) How do you determine the firm's optimal capital structure? Briefly explain the definition. (4 marks)

Question 2

Suppose Encik Syamil's family is considering three (3) investment for a period of one year. The outcomes are uncertain but three (3) different states of the economy have been ascertained. The relevant data are as follows:

States of economy	Probability	Investment's return (RM)		
		Unifi	Maxis	Celcom
Recession	0.25	1,500	1,875	1,685
Normal	0.45	2,810	2,250	3,000
Boom	0.30	3,375	3,000	3,750

REQUIRED:

- (a) Evaluate the investment alternatives in relation to risk and return. (18 marks)
- (b) Decide which telecommunication is optimal investment for Syamil family and state your reasons. (2 marks)

Question 3

Ali hypermarket has estimated the following sales revenue for the next 6-month period.

Month	Budgeted sales Revenue (RM)
January	55,000
February	75,000
March	90,000
April	60,000
May	45,000
June	35,000

Past experience has indicated that 80% of sales each month are on credit and that collection of credit sales occurs as follows:

60% in the month of sales

30% in the month following the sales

5% in the second month following the sale.

The remaining 5% is uncollectible.

(a) **REQUIRED:**

Prepare a schedule which shows expected cash receipts from sales for the months of April, May and June.

(20 marks)

Question 4

Answer the following:

- (a) Mashita wishes to deposit RM1,000 annually for five (5) years into a savings account paying 6% annual interest. How much money will Mashita have at the end of the five years.

(10 marks)

- (b) Mashita intends to invest in other investment portfolios. She wants to determine the initial amount she needs to invest, if the required return is 10%. The following is a stream of cash flows she will receive over the next five (5) years.

(10 marks)

END OF EXAMINATION PAPER