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UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE	:	EIB11503
COURSE TITLE	:	MANAGERIAL FINANCE
PROGRAMME NAME	:	BACHELOR IN ISLAMIC FINANCE WITH HONOURS
DATE	:	22 JUNE 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/ Appendices. ☐ *Tick if applicable*

THERE ARE 7 PAGES OF QUESTIONS INCLUDING THIS PAGE

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SECTION A (Total: 40 marks)

Answer ALL questions.

Please use the answer booklet provided.

Question 1

To remain sustainable, a firm must generate income and profit maximization is the process of selecting the output level that yields the highest income possible.

(a) Describe what is profit maximization.

(6 marks)

(b) Determine the drawbacks of profit maximization.

(4 marks)

Question 2

Financial analysis is the process of reviewing and interpreting a firm's financial information to understand how well it is performing, its current financial condition, and its possible future direction, which helps in making better decisions. It also makes use of financial ratios, which are tools that measure profitability, liquidity, efficiency, and solvency by comparing different figures taken from financial statements.

(a) Determine the purpose of financial ratios.

(4 marks)

(b) Evaluate the limitation of financial ratios.

(6 marks)

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Question 3

Working capital management aims to optimizing the firm's current assets in order to achieve a balance between profitability and risk.

(a) Elaborate the concept of working capital.

(6 marks)

(b) List the factors affecting the working capital level.

(4 marks)

Question 4

Inventory Management system provides information to efficiently manage the flow of materials effectively utilize people and equipment, coordinate internal activities and communicate with customers.

(a) List out the common techniques of inventory management.

(4 marks)

(b) Discuss the concept of inventory management and determine the types of inventories in an organisation.

(6 marks)

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SECTION B (Total: 60 marks)

Answer THREE (3) questions only.

Please use the answer booklet provided.

Question 1

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

Month	Budgeted sales Revenue (RM)
January	75,000
February	50,000
March	100,000
April	65,000
May	68,000
June	59,000

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.

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

(20 marks)

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Question 2

Answer the following

(a) Farah wishes to deposit RM5,000 annually for five (5) years into a savings account paying 6% annual interest. How much money will Farah have at the end of the five years.

(10 marks)

(b) Farah intends to invest in other investment portfolios. She wants to determine the initial amount she need to invest, if the required return is 10%. The following is a stream of cash flow she will receive over the next five (5) years.
Refer Below - Table1 : Table .

(10 marks)

Table 1: Table

Year	Cash Flow (RM)
1	5,000
2	6,500
3	4,500
4	5,200
5	5,800

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Question 3

Aina has just started working in a corporate organisation and notices that the company carefully plans how its financial resources are allocated, including budgeting for operations, controlling costs, and setting aside funds for future expansion. She learns about financial planning and budgeting in the organisation but unsure about the significant of this mechanism. As a senior finance executive in the organisation, you are required to:

(a) Analyse the concept of financial planning in an organisation.

(6 marks)

(b) Explain in details to Aina definition and types of capital budgeting.

(10 marks)

(c) Identify the importance of cash budget in an organisation.

(4 marks)

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Question 4

Suppose Puan Aida's family is considering three (3) investment portfolio 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:
Refer Below - Table2 : Table .

Table 2: Table

States of economy	Probability	Investment's return (RM)		
		PETRON	BP	SHELL
Recession	0.25	7,900	12,500	5,000
Normal	0.45	8,500	10,250	8,500
Boom	0.30	4,000	13,750	12,000

(a) Evaluate the investment alternatives in relation to risk and return.

(18 marks)

(b) Decide which telecommunication is optimal investment for Puan Aida's family and state your reasons.

(2 marks)

END OF EXAMINATION PAPER

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