

Roll No.

Total No. of Pages : 03

Total No. of Questions : 09

BHMCT (Sem.-8)
FINANCIAL MANAGEMENT
Subject Code : BH-420
Paper ID : [C0358]

Time : 3 Hrs.

Max. Marks : 30

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying ONE mark each.
2. SECTION-B contains FIVE questions carrying 21/ 2 (Two and Half) marks each and students has to attempt any FOUR questions.
3. SECTION-C contains THREE questions carrying FIVE marks each and students have to attempt any TWO questions.

SECTION-A

Q1. Answer briefly :

- a) What is fund flow analysis?
- b) What are the objectives of ratio analysis?
- c) Enlist the various functions of management accounting.
- d) What is owner's equity?
- e) Describe the term capital employed?
- f) How will you calculate cash from operations?
- g) Give any three examples of current assets.
- h) Define cash and cash equivalents.
- i) What are the sources of short term working capital?
- j) Find out debtors turnover ratio?

Annual Credit Sales	Rs 25,000
Returns Debtors Bills	Rs 1,000
receivable	Rs 3,000
	Rs 1,000

SECTION-B

- Q2 Describe the direct method of computing cash from operating activities.
- Q3 What is optimal capital structure?
- Q4 What are the main sources of company finance?
- Q5 Write a short note on the origin or emergence of management accounting.
- Q6 From the following information calculate :
- a) Current liabilities
 - b) Current Assets
 - c) Liquid Assets
 - d) Stock
- Current Ratio = 2.5
- Liquidity Ratio= 1.5
- Working Capital = Rs 60,000

SECTION-C

- Q7 Comment on the emerging role of financial manager in India.
- Q8 X Ltd sells its products at a gross profit of 20% on sales. The following information is extracted from its annual accounts for the year ended 31.12.2017

	Amount (Rs)
Sales at 3 months credit.	40,00,000
Raw Materials.	12,00,000
Wages paid 15 days (i.e 1/2month) in arrears.	9,60,000
Manufacturing expenses paid one month in arrears.	12,00,000
Administrative expenses paid one month in arrears.	4,80,000
Sales promotion expenses payable half yearly in advance.	2,00,000

Company enjoys 1 month credit from the suppliers of raw material and maintains 2 months stock of raw materials and one and half (1.5) months stocks of finished goods.

Cash balance is maintained at Rs 1,00,000 as a precautionary balance. Assuming a 10% margin, find out the working capital requirements of X Ltd.

Q9 Calculate funds from operations from the following income statement.

Particulars	Amount(Rs)	Particulars	Amount(Rs)
To Rent paid	25,000	By Gross Profit	5,00,000
To Salaries paid	1,00,000	By profit on sale of vehicle	3,000
To provision for depreciation	50,000	By refund of tax	2,000
To Commission paid	5,000	By dividend received	10,000
To provision for taxation	1,50,000		
To General Reserve	3,000		
To loss on sale of investment	10,000		
To expenses on issue of shares	2,000		
To provision for legal damages	5,000		
To Net Profit	1,65,000		5,15,000
	5,15,000		