I.M.C.A. SEM–II (2014 COURSE) CBCS : WINTER - 2017

SUBJECT: FINANCIAL MANAGEMENT & ACCOUNTING

Day: **Thursday**
Date: **16/11/2017**

W-2017-1663

Time: **10.00 AM TO 01.00 PM**
Max. Marks: 100

N.B.:

1) Attempt any **FOUR** questions from Section –I and any **TWO** questions form Section –II.
2) Figures to the right indicate **FULL** marks.
3) Answers to both the sections should be written in **SEPARATE** answer book.
4) Use of non-programmable **CALCULATOR** is allowed.

SECTION-I

Q.1 Explain in detail nature and scope of Financial Management. **(15)**

Q.2 What do you mean by Accounting? Discuss Various Accounting Conventions. **(15)**

Q.3 Discuss various factors affecting Working Capital. **(15)**

Q.4 Explain the following: **(15)**
- i) Time value of money
- ii) Venture Capital
- iii) Break Even Point

Q.5 What do you mean by Ratio Analysis? Discuss the significance of Ratio Analysis. **(15)**

Q.6 Write an exhaustive note on classification of 'Cost'. **(15)**

Q.7 Write short notes on any **THREE** of the following: **(15)**
- **a)** Margin of safety
- **b)** Ledger
- **c)** Limitations of long term sources of Finance
- **d)** Budgetary control
- **e)** Inventory Management

P. T. O.

SECTION-II

Q.8 For the Production of 10,000 units the following are the Budgeted Expenses: **(20)**

Particulars	**Cost per unit (Rs.)**
Direct Materials	80
Direct Labour	50
Variable factory overhead	25
Fixed factory overhead(100% fixed)	10
Variable expenses (Direct)	12
Selling expenses (10% fixed)	10
Administration expenses (100% fixed)	15
Distribution Expenses (10% fixed)	5

Prepare a Flexible Budget for the Production of 12,000 units.

Q.9 The following information is available for Product A and B. **(20)**

Particulars	**Product A (Rs.)**	**Product B (Rs.)**
Sales	15,00,000	18,00,000
Marginal Cost	9,00,000	13,00,000
Fixed Cost	2,00,000	2,50,000

You are required to calculate following for product A and Product B.

i) Profit
ii) P/V Ratio
iii) Break Even sales
iv) Margin of Safety

Q.10 A firm whose cost of capital is 10% is considering to mutually exclusive proposals X and Y the details of which are as follows: **(20)**

Year	**Projected Cash Inflows**	
	Proposal X (Rs.)	**Proposal Y (Rs.)**
1	1,00,000	2,00,000
2	2,50,000	2;80,000
3	3,00,000	3,20,000
4	4,00,000	4,00,000
5	5,50,000	6,00,000
Total:	**16,00,000**	**18,00,000**

Initial Investment for Project X is Rs.10, 00,000 and for Project Y is Rs.10, 00,000.

Calculate:

i) simple Pay Back period
ii) Net Present Value at 10% rate of discount
iii) Profitability Index at 10 % rate of discount

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