

S.D.E.

M.B.A. (I.T.) SEM-IV (2013 COURSE) : WINTER - 2017

SUBJECT: FINANCIAL MANAGEMENT & CONTROL

Day: **Thursday**
Date: **21/12/2017**

W-2017-4339

Time: **02.00 P.M. TO 05.00 P.M.**
Max. Marks: 70

N.B.:

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

SECTION-I

- Q.1** Define Financial Management. Explain Scope of Financial Management. (14)
- Q.2** Which factors are considered in planning Capital Structure of a Company? (14)
- Q.3** Write a note on following Sources of Finance: (14)
i) Debentures ii) Preference Shares
- Q.4** Which techniques are used for Inventory Management? (14)
- Q.5** Write short notes on any **TWO** of the following: (14)
a) Internal Rate of Return
b) Pay Back Period
c) Leverage

SECTION-II

- Q.6** Nihar Ltd. whose cost capital is 10% is considering two mutually exclusive proposals, X and Y the details of which are as follows: (14)

Particulars	Proposal X ₹	Proposal Y ₹
Initial Investments	30,00,000	30,00,000
Projected Cash Inflows		
1 st Year	2,00,000	12,50,000
2 nd Year	5,50,000	12,00,000
3 rd Year	6,50,000	12,00,000
4 th Year	10,50,000	10,75,000
5 th Year	14,50,000	10,25,000

Calculate:

- i) Pay Back Period
- ii) Net Present Value @ 10% rate of discount
- iii) Profitability Index

The Discounting Factors at 10% are .909, .826, .751, .683, .621.

P. T. O.

- Q.7** The Board of directors of Amar Ltd. request you to prepare a statement showing the working capital requirements for a level of activity of 85,000 units of production. The following information is available for your consideration. **(14)**

	Cost Per unit	₹
(A)	Raw materials	50
	Direct labour	30
	Overheads	25
	Selling price per unit	135

- (B)**
- i) Raw materials are in stock on an average two months.
 - ii) Materials are in process 50% complete on an average two weeks.
 - iii) Finished goods are in stock on an average one month.
 - iv) Credit allowed by suppliers one month.
 - v) Time lag in payment from debtors two months.
 - vi) Lag in payment of wages one month.
 - vii) Lag in payment of overhead one month.

- Q.8** Write a note on following techniques of analysis of Financial Statements of a Company: **(14)**
- i) Cash Flow Statement
 - ii) Ratio Analysis

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