

S.D.E.

M.B.A. SEM-II (2013 COURSE) : WINTER - 2017

SUBJECT: FINANCIAL MANAGEMENT

Day: **Thursday**
Date: **14/12/2017**

W-2017-4191

Time: **02.00 PM TO 05.00 PM**
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) Answer both the sections should be written in **SEPARATE** answer books.
- 4) Use of **CALCULATOR** is allowed.

SECTION-I

- Q.1** Explain in detail the scope and objectives of financial management. (14)
- Q.2** What is 'Working Capital'? Explain the various types of working capital. (14)
- Q.3** Elaborate upon Venture Capital scenario in India. (14)
- Q.4** Discuss in detail steps involved in the process of capital budgeting. (14)
- Q.5** Write short notes on any **TWO**: (14)
- a) Financing Decision
 - b) Ratio Analysis
 - c) Cost of Debt

SECTION-II

- Q.6** There are two mutually exclusive investment proposals are under consideration of a company Ltd. The cost of proposal A is Rs. 100000 and proposal B is Rs. 150000. The corporate tax rate is 35% and cost of capital is 10%. Depreciation method is Straight Line Method. The projects are expected to generate earning before tax as follows: (14)

Year	Project X Rs.	Project Y Rs.
1	50000	60000
2	60000	40000
3	45000	30000
4	40000	60000
5	60000	50000

Evaluate the proposals on the basis of following techniques. (14)

- a) Pay- back Period
- b) Average Rate of Return
- c) Net Present Value

P.T.O

Q.7 A Performa cost sheet of Sheetal Ltd provides the following data:- **(14)**

Particulars	Cost Per Unit Rs.
Raw Materials	52/-
Direct Labor	20/-
Overheads	40/-
Total cost	112/-
Selling Price	130/-

Additional Information:-

- a) Average Raw Materials in stock- one month
- b) Average Material in Process- half month
- c) Credit allowed by suppliers- one month
- d) Credit allowed to customers – two months
- e) Lag in payment of wages– half month
- f) Lag in payment of overheads – one month
- g) Cash balance is expected to be Rs120000/-

You are required to prepare a statement showing the working capital needed to finance a level of activity of 80000 units of output. Assume production is carried out evenly throughout the year and wages and overheads accrue similarly.

Q.8 Write a detailed note on Techniques of Financial Statement Analysis. **(14)**

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