

(2½ Hours)

(Total Marks : 75)

Please check whether you have the right question paper.

- N.B.: 1) All Questions are Compulsory and carry 15 marks.
2) Internal choices / sub-questions are indicated.
3) Use of Simple Calculator is allowed. Scientific calculators are not allowed.

1. From the following Income statement and position statement for the year ending 2018, (15)
calculate the following :

- a) Debt Equity Ratio b) Current Ratio
c) Stock to Working Capital ratio d) Proprietary Ratio
d) Gross Profit Ratio e) Net Profit Ratio
q) Debtors turnover ratio and collection period

Income statement for the year ending 31-12-2018

Particulars	Amount (₹)
Sales	3,42,000
Less : Cost of Goods sold	2,46,850

Gross profit	95,150
Less : Operating expenses	25,150

Net profit	70,000
Less : Taxation	28,000

Net Profit After Tax	42,000

Position statement as on 31-12-2018

Sources of funds	₹	₹	₹
Equity Share Capital			1,28,900
Term Loans			45,000
Total Sources			----- 1,73,900
Application of funds	₹	₹	₹
Fixed assets			84,575
Closing Stock	50,505		
Debtors	64,170		
Bills Receivable	1,800		
Cash	4,800	1,21,275	
Less : Creditors	19,000		
Bills Payable	3,000		
Outstanding expenses	9,950		
	-----	31,950	89,325
Total			----- 1,73,900

OR

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TURN OVER

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1. State and explain the goals and functions of finance bring out the inter relationship between finance and marketing. (15)

2. From the following data prepare a cash budget for the period April, May and June 2019 :

Month	Miscellaneous Expenses (₹)	Wages (₹)	Purchases (₹)	Sales (₹)
February	28,000	40,000	3,36,000	4,80,000
March	32,000	48,000	4,00,000	5,20,000
April	24,000	32,000	4,16,000	3,20,000
May	48,000	40,000	4,24,000	4,64,000
June	24,000	32,000	3,20,000	3,52,000

Additional Information :

- a) Income from investments ₹20,000 received quarterly in April, July etc.
- b) Out of monthly Wages 25% is paid in arrears next month.
- c) Purchases are paid in the month following the month of supply.
- d) Out of sales, 20% is realised in the month of sales. Balance received in two subsequent months equally.
- e) Cash in hand on 1st April 2019 was ₹20,000.

OR

2. What is working capital? State the factors influencing the determination of working capital. (15)

3. From the following information provided for the second quarter of 2019, prepare Sales budget for the third quarter of 2019 for three products P, Q and R after considering the following information : (15)

- a) Product P, Q and R were sold during the second quarter at a price of ₹15, ₹18 and ₹16 respectively
- b) During the third quarter sales quantity of product P is expected to increase by 20 % that Q is expected to decrease by 15% and that of R is expected to increase by 8%.
- c) During the third quarter it has been decided to increase the selling price of P by 10%. Decrease the Selling price of Q by 10 % and not to change the selling price of R.

Month	Product P in units	Product Q in units	Product R in units
April	10,000	11,000	20,000
May	12,000	10,000	15,000
June	15,000	9,000	10,000

OR

3. a) What factors are considered for the preparation of a film budget? (08)
b) Briefly write about the types of Debentures. (07)

4. a) Draw a specimen Break Even chart and mark Break-Even Point, Fixed Cost and Variable Cost angle of incidence. (05)
b) A company produces and sells 100 units of product A per month at ₹20. each. The variable cost per unit is ₹12 per unit and fixed cost is ₹400 per month : (10)
Calculate :

- a) P/V Ratio
b) Break-Even Sales in units
c) Break-Even Sales Value
d) Margin of Safety

It is proposed to reduce the selling price by 20%. Find the additional sales required to earn the same profit as before.

OR

4. a) Briefly write about the advantages of Spreadsheets. (07)
b) State the advantages of term loans. (08)
5. a) A trader has the following balances on 01-01-2019 Cash ₹6,000; creditors ₹3,000; Bills payable ₹1,500; Cash ₹4,000; Outstanding expenses ₹2,000; Bills Receivable ₹4,500. Estimate his gross working capital and net working capital as on that date. (05)
b) Classify the following costs on the basis of their 'behaviour to change' in volume : (05)
i) Customs duty on raw materials.
ii) Office rent.
iii) Electricity charges.
iv) Over time wages.
v) Manager's salary.
c) Classify the following on the basis of functions : (05)
i) Carriage outwards.
ii) Repairs to plant and machinery.
iii) Audit fees.
iv) Heating and lighting.
v) Printing and stationery.

OR

5. Write short notes on Any Three : (15)
1) Types of Preference shares.
2) Short term sources of finance.
3) Limitations of ratio analysis.
4) Types of budgets.
5) Importance of Operating Cycle.