

FINANCIAL MANAGEMENT : 2013

(Old and New Course - 119)

Time : 3 Hours]

[Maximum Marks : 90

[Minimum Pass Marks : 32

Note : Attempt all the five questions. All Questions carry equal marks.

UNIT - 1

1. Define Financial Management. Explain its objectives and scope in detail.

OR

Write short notes on the following :

- (i) Relationship of Financial Management with other areas of Management
- (ii) Wealth Maximisation

UNIT - 2

2. What do you mean by Fund Flow Statement ? Explain the procedure of making Fund Flow Statement.

OR

What do you mean by analysis and interpretation of Financial Statement ? Explain the various methods of analysis of Financial Statement.

UNIT - 3

3. A firm's sales are Rs. 4,50,000, Cost of goods sold is Rs. 2,40,000 and inventory is Rs. 90,000 What is its turnover ? Also calculate the firm's gross margin.

(b) The only current assets possessed by a firm are cash Rs. 1,05,000, inventories Rs. 5,60,000 and debtors Rs. 4,20,000. If the current ratio for the firm is 2 : 1 determine its current liabilities. Also calculate the firm's quick ratio.

<http://prsuonline.com>

OR

Explain the ratio which you as an analyst, will focus your attention to in the following cases :

- (i) A bank is approached by a company for a loan of Rs. 50 lakhs for working capital purposes
- (ii) A company requests a financial institution to grant a 10 year loan of Rs. 5 crore.

UNIT - 4

4. "Merely increasing the level of current assets holding does not necessarily reduce the riskiness of the firm. Rather, the composition of current assets whether highly liquid or highly illiquid, is the important factor to consider." Explain your position.

OR

A firm's requirement of materials is 3000 units (price Rs. 20 per unit) for 6 days. The ordering cost per order is Rs. 10 and the carrying cost is rs. 0.50. If the schedule of discount given below is applicable to the firm, determine the most economical order quantity <http://prsuonline.com>

Size	Discount Rate
1 - 499	none
500 - 699	1%
700 - 999	2%
1000 - 2,499	4%
2500 and above	7%

UNIT - 5

5. An equipment A has a cost of Rs. 75,000 and net cash flow of Rs. 20,000 per year for six years. A substitute equipment B would cost Rs. 50,000 and generate net cash flow of Rs. 14,000 per year for six years.
The required rate of both equipments is 11% Calculate NPV for each equipment.

OR

What do you mean by Capital Budgeting ? Explain the various appraisal methods for appraising investment proposals.

<http://prsuonline.com>

Whatsapp @ 9300930012

Your old paper & get 10/-

पुराने पेपर्स भेजे और 10 रुपये पायें,

Paytm or Google Pay से