

Q.1. From the following particulars prepare a cash budget of DIKSHA company ltd (15)

For the month of April, May and June.

Fin. mgmt

Month	Sale	Purchases	Wages	Expenses
January	80000	45000	20000	5000
February	80000	40000	18000	6000
March	75000	42000	22000	6000
April	90000	50000	24000	7000
May	85000	45000	20000	6000
June	80000	35000	18000	5000

Additional information:

- 50% of purchases and sale are on cash basis.
- Half of the debtors pay in the same month and balance pay in the next month. Credit purchases are paid after 1 month. Credit purchases are paid after 1 month.
- Time lag in payment of wages is 1 month.
- Rent of Rs. 500 is paid every month.
- Opening cash balance for the month of April is Rs. 150000
- Dividend received in May is Rs. 18000
- Professional fees to be paid in June Rs. 750
- Expenses are paid in the same month.

OR

Q.1. (a) Explain cash budget and its purpose. (8)

Q.1. (b) Explain 5 C's of Credit. (7)

Q.2. (a) Mr. Sam deposits Rs. 10000 and gets an interest of 12% p.a. Find out the (8)

Future value of his amount if the interest is compounded....:

- Yearly
- Half yearly
- Quarterly
- Monthly

Q.2. (b) What is the present value of a 4 year annuity (7)

Of Rs. 32000 at 12 % interest p.a.

Q.2. Explain the meaning of Financial Management. Explain its Goals. (15)

Q.3. A company has to invest in 2 projects A and B. Initial investment for (15)

Project A is Rs.100000 and for Project B Rs. 140000

Present value factor is 10%. Expected life 5 years.

Following are the Net profits after tax of both the projects.

Year	PAT (Rs)(Project A)	PAT (Rs)(Project B)	PV Values@10%
1.	5000	12000	0.909
2.	10000	12000	0.826
3.	10000	12000	0.751
4.	10000	12000	0.683
5.	10000	12000	0.621

Calculate Payback period, NPV, ARR for both the projects

OR

Q.3. A company has to invest in 2 projects X and Y. Initial investments for (15)

X is Rs. 50000

And for Y Rs. 80000

Life of Project X is 4 years and for Y its 6 years.

Tax rate 50% Present value factor 10 %.

Following are the profits before depreciation and tax for both the proects.

Year	Profit (rs.) (Project X)	Profit (Rs.) Project Y	PV factor values at 10%
1	10000	8000	0.909
2	15000	14000	0.826
3	20000	25000	0.751
4	15000	30000	0.683
5	---	18000	0.621
6	---	13000	0.564

Calculate

NPV, Payback period, Profitability Index.

Q.4. From the following information calculate (15)

1. Operating Leverage

P03ADP

3. Combined Leverage

4. P/V ratio of all 3 firms.

FIRMS	A	B	C
Output (units)	60000	15000	100000
Fixed cost (Rs.)	7200	14000	1500
Variable cost per unit	0.20	1.50	0.02
Interest	4000	8000	Nil
Selling price per unit	0.60	5	0.10

OR

Q.4. (a) Distinguish between Operating Leverage and Financial Leverage (8)

(b) Explain types of Leverages. (7)

Q.5. Short Notes: (any 3/5) (15)

1. NPV

2. Hire purchase

3. Leasing

4. Credit card

5. Leverages