

Q.1 a) Define Financial Management. State the goals of it. [8]

OR

Q.1 a) From the details given prepare projected Trading A/c, P & L A/c & Balance Sheet of B Ltd. for the year ending 31/03/2014. [8]

Balance sheet as on 31/03/2013

Liabilities	Amt.	Assets	Amt.
Capital	65,000	Buildings	40,000
Bank Loan (repayment in 3 equal installments)	30,000	Furniture	10,000
Creditors.	10,000	Delivery Van	15,000
		Stock	15,000
		Debtors	20,000
		Cash	5,000
	<b>1,05,000</b>		<b>1,05,000</b>

**Other information :**

- The Gross Profit is 25% of sales.
- Other expenses Rs. 30,000
- Depreciation 5% on building, 10% on furniture and 20% on delivery van
- New Delivery van purchasing in March 2014 Rs. 25,000/-  
old delivery van is sold out with profit of Rs. 8,000/-
- Personal drawing next year will be Rs. 18,000/-
- Estimated Debtors as on 31st March 2014 is 24,000/- and creditor as Rs. 13,080/-
- Estimate sales as for year ending 31st March, 2014 is Rs. 1,92,000/- and purchases Rs. 1,56,960/-
- Projected cash overdraft on 31st March 2014 is Rs. 23,880/-

b) You are required to prepare a Balance sheet in a vertical form of A Ltd. as for the year ending on 30/09/13.

Particulars	Rs.
Land & Building	2,00,000
Share Capital	6,00,000
Reserve & Surplus	2,80,000

Secured Long term loans	6,00,000
Unsecured long term loans	4,00,000
Marketable investments	60,000
Prepaid expenses	40,000
Creditors	2,00,000
Provision for taxation	70,000
Cash	30,000

OR

b) Calculate current Ratio, Liquid Ratio, Operating Ratio and Stock Turnover Ratio from the details below of C Ltd for the year ending 31/12/12. [7]

Balance sheet as on 31/12/12

Liabilities	Amt.	Assets	Amt.
Eq. share Capital	5,00,000	Land & Buildings	3,50,000
General Reserve	3,00,000	Plant & Machinery	2,50,000
P & L A/c	2,00,000	Stock	3,00,000
Creditors.	2,00,000	Debtors	2,00,000
		Cash	1,00,000
	<b>12,00,000</b>		<b>12,00,000</b>

Trading & P & L a/c for year ending 31/12/12

Particulars	Amt.	Particulars	Amt.
To Opening stock	1,00,000	By Credit Sales	16,00,000
To Credit Purchase	8,00,000	By Closing Stock	2,00,000
To G/P c/d	9,00,000		
	<b>18,00,000</b>		<b>18,00,000</b>
To Office Expenses	2,00,000	By G / P b/d	9,00,000
To Selling Expenses	1,25,000	By profit on sale of assets	25,000
To N/P	6,00,000		
	<b>9,25,000</b>		<b>9,25,000</b>

Q.2 a) Draw up a Cash Budget of F Ltd. for the months July to Dec. 2013 with following information :-

4. Fixed assets purchased Rs. 39,00,000 in July 2013.
5. Sales is July Rs. 12,50,000/- August Rs. 15,00,000/-, September Rs. 18,00,000/- October Rs. 22,00,000/- and following months Rs. 23,00,000/- respectively.
6. Debtors to get 2 months credit.
7. Purchases is Rs. 9,30,000, Rs. 11,30,000/- , Rs. 13,70,000/- Rs. 16,75,000/- and Rs. 16,75,000/- respectively from month of August 2013.
8. Preliminary expenses Rs. 50,000/- in August 2013.
9. General expenses Rs. 40,000/- p.m.
10. Wages payable on the 1st day of next month Rs. 70,000/- for each of 1st three months and Rs. 85,000/- p.m. thereafter.

**OR**

- b. Draw up a Flexible Budget of X Ltd. for a period of 2 months ended on 31st December 2013. Other information are as follows- [15]

Production is 10,000 units -

Materials Rs. 70/- unit

Labour Rs. 25/- units

D. Variable Rs. 50/- units

Fixed Overheads is Rs. 1,00,000/-

Variable overheads Rs. 20/- units

Selling expens (10% Fixed) Rs. 13 units

Distribution expenses (20% fixed) Rs. 7/- units

Administrative expenses is fixed Rs. 50,000/-

Total Cost per unit is Rs. 155/- unit.

Prepare for 8000 units and 6000 units.

Sales is given as Rs. 16,00,000/- Rs. 14,00,000/- and Rs. 12,00,000/- for 10,000 units, 8,000/- units & 6,000/- units respectively. Also find out the profit at each levels.

- Q.3 a)** What is sources of Finance ? Explain the Classification of source of finance. [15]

**OR**

Q.4 Write short notes on any 3 :-

[15]

- a) Scope of Financial Management
- b) The two approaches a projected Balance sheet
- c) Sources & Applications of Funds
- d) Net Profit Ratio
- e) Capital Budget
- f) Need of Financial Management

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Particulars	Amount
Materials Rs. 70/- unit	70000
Labor Rs. 25/- unit	25000
Overhead Rs. 50/- unit	50000
<b>Total</b>	<b>145000</b>

Particulars	Amount
Sales given as Rs. 10,00,000/- and Rs. 12,00,000/-	1000000
for 10,000 units, 8,000/- units & 6,000/- units respectively. Also find	
Profit at each level.	600529