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Total No. of Pages : 03

Total No. of Questions : 09

**BHMCT (Sem.-8)**  
**FINANCIAL MANAGEMENT**  
Subject Code : BH-420  
M.Code : 14598

Time : 3 Hrs.

Max. Marks : 30

**INSTRUCTION TO CANDIDATES :**

1. SECTION-A is COMPULSORY consisting of TEN questions carrying ONE mark each.
2. SECTION-B contains FIVE questions carrying 2½ (Two and Half) marks each and students has to attempt any FOUR questions.
3. SECTION-C contains THREE questions carrying FIVE marks each and students have to attempt any TWO questions.

**SECTION-A**

**1. Answer briefly :**

- a) What is ratio?
- b) What is a net profit ratio?
- c) Enlist the various functions of management accounting?
- d) When does flow of funds take place?
- e) Name liquidity ratios?
- f) Is depreciation a source of funds?
- g) Give any three examples of current assets.
- h) What are the sources of cash inflows?
- i) What is meant by financial risk?
- j) What is fixed capital



### SECTION-B

2. Explain the factors which determine the working capital needs of a firm?
3. Define Ratio Analysis? List out four advantages of ratio analysis.
4. Distinguish between funds flow and cash flow statement?
5. Write a short note on the origin or emergence of management accounting.
6. A business has a current ratio of 3:1 and quick ratio of 1:2:1. If the working capital is Rs. 1,80,000, calculate the total current assets, total current liabilities and value of stock.

### SECTION-C

7. "Budget is an aid to management not a substitute for management". Comment.
8. Seema Ltd had a profit of Rs 20,00,000 for the year ended 31.3.2018 after considering the following :

Depreciation on building	Rs. 55,000
Depreciation on Plant & machinery	Rs. 37,000
Goodwill written off	Rs. 14,000
Loss on sale of Plant & machinery	Rs. 8,000

Following was the position of current assets and current liabilities as on 31-3-2017 and 31-3-2018

	31.03.2017 (Rs)	31.03.2018 (Rs.)
<b>Stock</b>	65,000	69,000
<b>Debtors</b>	40,000	25,000
<b>Cash</b>	47,000	74,000
<b>Creditors</b>	94,000	1,03,000
<b>Outstanding expenses</b>	5,000	3,000
<b>Bills payable</b>	49,000	58,000

Calculate cash flow from operating activities.

9. The following are the Balance sheets of Paschim Corporation Ltd as on 31<sup>st</sup> December 2017 and 2018 :

Balance sheets of Paschim Corporation Ltd.

Liabilities	2017	2018	Assets	2017	2018
11% Pref Shares	-	30,000	Land & Building	60,000	50,000
Equity Shares	1,10,000	1,20,000	Plant & Machinery	30,000	50,000
General Reserve	4,000	4,000	Sundry Debtors	40,000	48,000
Profit & Loss A/c	2,000	2,400	Stock	60,000	70,000
9% Debentures	12,000	14,000	Bank	2,400	7,000
Provision for taxation	6,000	8,400	Cash	600	1000
Proposed dividend	10,000	11,600			
Current liabilities	49,000	35,600			
	<b>1,93,000</b>	<b>2,26,000</b>		<b>1,93,000</b>	<b>2,26,000</b>

You are required to prepare a Schedule of changes in working capital and Statement of flow of funds.

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**