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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) Management accounting is done at the lower levels of management.
- b) Master Budget incorporates all functional budgets.
- c) The term gross working capital refers to the aggregate of long term sources of funds.
- d) Horizontal analysis is done to know the changes in the business environment, over a period of time.
- e) Equity Share Capital is a permanent source of financing in company form of organization.

Fill in the blanks with an appropriate word :

- f) Financial Management is helpful in increasing of data. (preparation/interpretation)
- g) The mix of long-term sources of fund and owner equity is known as
- h) Raising of long term loan is a of funds.
- i) (inter/intra) comparison would demonstrate the firm's position vis-à-vis its competitors.
- j) The difference between and cost of goods sold is called gross profit.



SECTION-B

2. What is Working Capital? Why does a business need it?
3. What are the objectives of Budgetary Control?
4. From the following information, you are required to ascertain Cash from Operating activities :

	Year 1 (Rs.)	Year 2 (Rs.)
Net Profit		70,000
Depreciation		3,000
Debtors	20,000	30,000
Stock	14,000	8,000
Creditors	30,000	25,000
Transfer to Reserves		10,000

5. Discuss the scope and importance of finance function in an organization.
6. What do you understand by the term, 'Financial Analysis'? Discuss any two methods/tools of financial analysis.

SECTION-C

7. What is Capital Structure? Explain the main characterizes that affect the capital structure decisions of a business.
8. Calculate the following, with the help of information given below :

- a) Current Ratio
- b) Equity Shareholders funds
- c) Long term loans
- d) Quick Assets
- e) Fixed Assets

Cash	20000/-	Equity Share Capital	500,000/-
Bank	30000/-	Reserves & Surpluses	20,000/-
Stock	30000/-	Debentures	2,00,000/-
Prepaid Expenses	10000/-	Bank Loan	50,000/-
Outstanding Expenses	10000/-	Furniture & Fixtures	30,000/-
Debtors	10000/-	Creditors	40,000/-

9. Prepare Schedule of changes in Working Capital, with the help of the given Balance Sheet:

Liabilities and Capital	2016 (Rs.)	2017 (Rs.)	Assets	2016 (Rs)	2017 (Rs)
Share Capital	6,00,000	8,00,000	Land and Building	3,70,00	2,70,000
Reserves and Surpluses	3,30,000	2,22,000	Plant	400000	6,00,000
Debentures	2,00,000	3,00,000	Furniture	20000	25,000
Long Term loan	1,50,000	2,00,000	Other Fixed Assets	25000	30,000
Bills payable	50,000	45,000	Cash and Bank	20000	80,000
Sundry Creditors	1,00,000	1,20,000	Bill Receivable	150000	90,000
Outstanding Expenses	6,000	10,000	Sundry Debtors	200000	2,50,000
			Stock	250000	3,50,000
			Prepaid Expenses	1000	2,000
	14,36,000	16,97,000		14,36,000	16,97,000

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.