

SEAT No. _____

[5]

SARDAR PATEL UNIVERSITY

BBA-ISM Examination

SEMESTER-IV

Thursday, 19 April, 2018.

10.00 A.M TO 12.00 P.M

UM04CBBS10

Financial Management-II

TOTAL Marks: - 60

Q.1

The balance sheet of Hiral Ltd as on 31st March, 2017 & 2018.

(15)

Liabilities	2017	2018	Assets	2017	2018
Equity share capital	6,00,000	8,00,000	Goodwill	2,30,000	1,80,000
12 % Pref. share capital	3,00,000	2,00,000	Land & building	4,00,000	3,40,000
General reserve	80,000	1,40,000	Plant & machinery	1,60,000	4,00,000
P & L A/c	60,000	96,000	Debtors	3,20,000	4,00,000
Proposed dividend	84,000	1,00,000	Stock	1,54,000	2,18,000
Creditors	1,10,000	1,66,000	Bills receivable	40,000	60,000
Bills payable	40,000	32,000	Cash & bank balance	50,000	36,000
Tax provision	80,000	1,00,000			
	13,54,000	16,34,000		13,54,000	16,34,000

Additional information:

- 1) Depreciation of Rs. 20,000 & Rs. 40,000 has been charged on plant & machinery and land & building account respectively in 2017-18.
- 2) An interim dividend has been paid Rs. 40,000 in 2017-18.
- 3) Income tax of Rs. 70,000 was paid during the year 2017-18.

OR

- Q.1 (A) What is Cash Flow Statement? Discuss in detail its Utilities & (08) limitations.
- (B) Discuss in detail difference between Cash Flow Statement & Fund Flow (07) Statement.
- Q.2 (A) From the information of Anita & Nisha company, prepare Income (08) statement.

Particular	Anita	Nisha
Interest	30,000	6,000
Variable cost (% of sales)	30 %	40 %
Operating leverage	3	5
Financial leverage	2	3
Income tax	40 %	40 %

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- (B) The balance sheet of vilash ltd is as follows. (07)

liabilities	Rs	Assets	Rs.
Equity share capital (Rs. 10 each)	3,00,000	Fixed assets	7,50,000
10 % debenture	3,60,000	Current assets	2,40,000
Reserve	1,20,000		
Current liabilities	2,10,000		
Total	9,90,000	Total	9,90,000

Sales during the year were 30, 00,000 of which fixed were 6, 00,000 and variable expenses were 45 % of sales. Tax rate was 50 %. Calculate all types of leverage.

OR

- Q.2 (A) Calculate degree of leverage if sales are increase by 10% (08)

Particulars	Amount
Sales	8,00,000
Variable cost (30 % of sales)	2,40,000
Fixed cost	4,00,000
Interest on borrowing	20,000

- (B) From the information of Rutul & Sunil company , calculate Operating Leverage, Financial leverage & Combine leverage of both companies. (07)

Particulars	Rutul	Sunil
Output (units)	9,00,000	6,00,000
Variable cost (per unit)	3.00	7.00
Fixed cost	8,00,000	7,00,000
Interest on debenture	1,20,000	90,000
Selling price (per unit)	8.00	15.00

- Q.3 Discuss in detail difference between lease & Hire purchase system. (15)

OR

- Q.3 Write a note on:

- (A) Explain the meaning of leasing & its various typcs. (08)
 (B) Write a note on Hire Purchase agreement. (07)

- Q.4 Write a short note on: (Any Two)- (15)

- (A) Internet Banking
 (B) Capital market
 (C) IDBI

OR

- Q.4 Write a short note on: (Any Two) (15)

- (A) Mutual Fund
 (B) Money Market
 (C) ICICI

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