

[5/A6]

SEAT No. \_\_\_\_\_

No. of Printed Pages : 02

**Sardar Patel University**  
**B.B.A (ISM Sem-IV) Examination**  
**Financial Management - II (UM04CBBS10)**  
**Saturday, 13<sup>th</sup> April, 2019**  
**10.00 A.M. To 12.00 P.M.**

**Total Marks: 60**

**Note: 1. Figure to the right indicate full marks of question.**

**2. Working notes are the part of answer.**

**Q-1 (A) Discuss the any 5 differences of cash flow and fund flow statement. 8**

**(B) Define the cash flow statement. Discuss the Any 5 merits of cash flow statement. 7**

**OR**

**Q-1 The Balance Sheet of SRT Ltd. as on 31<sup>st</sup> March 2017 is as follows: 15**

**Balance Sheet**

Particulars	2016	2017	Particulars	2016	2017
Equity Share Capital Rs.10 Each	500000	700000	Land & Building	80000	120000
General Reserves	50000	70000	Plant & Machine	500000	800000
P&L A/c	100000	160000	Stock	100000	75000
Sundry Creditors	153000	190000	Sundry debtors	150000	160000
Bills Payable	40000	50000	Cash	20000	20000
O/s Expenses	7000	5000			
	<b>850000</b>	<b>1175000</b>		<b>850000</b>	<b>1175000</b>

**Additional Information:**

1. Rs.50000 depreciation has been charged to plant and machine during the year 2017
2. A piece of machine costing Rs. 12000 (Depreciation Provided on Rs.7000) was sold at 60% profit on book value.

You are required to prepared cash flow statement of the year ended 31<sup>st</sup> march 2017 as per AS 3, using indirect method.

(17)

(P.T.O.)

- Q-2 (A) Discuss the Concept of Leverage and explain the Utility of Leverage. 08  
 (B) Define the Leverage. Discuss the Operating Leverage, Financial Leverage & Composite Leverage in details. 07

OR

Q-2 The following is the balance sheet of a Pooja Ltd. 15

Liabilities	Amount	Assets	Amount
Equity Capital ( Rs. 10 per share)	60,000	Net Fixed Asset	1,50,000
10% Long-term Debt	80,000	Current Assets	50,000
Retained Earnings	20,000		
Current Liabilities	40,000		
	2,00,000		2,00,000

The company's total assets turnover ratio is 3.0, its fixed operating costs are Rs. 1,00,000 and its variable operating costs ratio is 40%. The income tax rate is 50%.

- (i) Calculate for the company all the three types of leverages.  
 (ii) Determine the likely level of EBIT if EPS is (a) Re. 1 (b) Rs. 3 (c) Zero.

- Q-3(A) Discuss any 5 differences of Hire Purchase and Lease Agreement. 8  
 (B) Write a note on Project finance. 7

OR

- Q-3 Define the Lease Agreement. Discuss the types of Leasing in details. 15  
 Q-4(A) Discuss the any 5 functions of Stock Exchange. 08  
 (B) Write a note on Internet Banking. 07

OR

- Q-4 Define the Mutual Fund. Explain the Importance and types of Mutual Fund in details. 15