

SEAT No. _____

[13]

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SARDAR PATEL UNIVERSITY
B.B.A.[GENERAL] – IIIrd Semester - NC
Tuesday, 5th January, 2021

Session: Morning Time: 10:00 a.m. TO 12:00 p.m.

Subject Code: UM03CBBA23

Subject: Financial Management - I

Total Marks: 60

Answer any 4 questions out of 8 questions

- Q 1 Briefly explain the scope and goals of financial management. [15]
Q 2 Discuss the executive and routine finance functions. [15]
Q 3 What is financial planning? What are the factors affecting financial planning? [15]
Q 4 Write a brief note on: [15]
1. Characteristics of a sound financial plan
2. Importance of a financial plan
Q 5 What are the various types of capital budgeting decisions? Explain the process of capital budgeting decision. [15]
Q 6 A co. is considering an investment proposal to install new machine which will cost Rs. 50,000 with 5 years life and no salvage value. The company's tax rate is 55%. The firm uses straight line depreciation. The estimated CFBDT from the proposed investment proposal are as follows: [15]

Year	1	2	3	4	5
CFBDT (Rs)	10000	11000	14000	15000	25000

Compute: PBP, ARR, and NPV @ 10% discount rate.

- Q 7 What is working capital? Explain the factors affecting working capital decision of a firm. [15]
Q 8 From the following information, you are required to estimate the working capital required: [15]

Particulars	Cost per unit Rs.
Raw Material	200
Direct Labour	100
Overheads (excluding depreciation)	250
Total cost	550

Estimated data for the forthcoming period are given below:

Raw material in stock	Average 6 weeks
Work-in-progress (assume 50% completion stage with 100% material consumption)	Average 2 weeks
Finished goods in stock	Average 4 weeks
Credit allowed by suppliers	Average 4 weeks
Credit allowed to Debtors	Average 6 weeks
Cash at bank	Rs.75,000
Selling price	Rs.800 per unit
Output	52,000 units per annum

Assume that production is sustained at an even pace during 52 weeks of the year. All sales are on credit basis.

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