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**B. B. A. (Part - III) (Semester - V) Examination, 2013****FINANCIAL MANAGEMENT (Paper - I)****Sub. Code : 43955****Day and Date : Monday, 15 - 04 - 2013****Total Marks : 40****Time : 03.00 p.m. to 05.00 p.m.**

- Instructions :**
- 1) All questions are compulsory.
  - 2) Figures to the right indicate full marks.

**Q1)** A Company sells its products on a gross profit of 20% on sales. The following information is available in respect of A company. **[14]**

Sales at 3 months credit	40,00,000
Raw materials	12,00,000
Wages paid-average time lag 15 days	9,60,000
Manufacturing expenses paid- one month in arrears	12,00,000
Administrative expenses paid - one month in arrears	4,00,000
Sales promotion expenses - payable half yearly in advance	2,00,000

The company enjoy one month's credit from the suppliers of raw materials and maintains a two month's stock of raw materials and one and half month's stock of finished goods. The cash balance is maintained at Rs.1,00,000. as a precautionary measure Assuming 10% margin. Find out the working capital requirements of A company.

OR

What do you mean by financial management? Write in detail the re - curring and non-re-curring functions of financial management.

**P.T.O.**

**Q2) Write short answers (any two)**

**[16]**

- Explain any four determinants of Working capital requirements.
- Explain profit maximization, and wealth maximization objectives of financial management.
- What do you mean by leverage? Explain the concept of operating leverage with example.
- What do you mean by financial plan? Write the types of financial plans.

**Q3) Write short notes (any two)**

**[10]**

- Types of working capital.
- Concept of financial leverage.
- Over capitalization.
- Concept of combined leverage.

40,00,000					
12,00,000					
9,60,000					
12,00,000					
1,00,000					
2,00,000					

The company enjoys one month's credit from the suppliers of raw materials and maintains a two month's stock of raw materials and one and half month's stock of finished goods. The cash balance is maintained at Rs.1,00,000 as a precautionary measure. Assuming 10% margin, find out the working capital requirements of a company.

OR

What do you mean by financial management? Write in detail the re-curing and non-re-curing functions of financial management.