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| Seat<br>No. |  |
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**B.B.A. (Part - III) (Semester - V) Examination, April - 2017**  
**FINANCIAL MANAGEMENT (Paper - I)**

**Sub. Code : 43955**

**Day and Date : Tuesday, 25 - 04 - 2017**

**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 proforma cost sheet of a company provides the following particulars:[14]**

| Elements of cost | Amount (P.o.) (Rs.) |
|------------------|---------------------|
| Raw material     | 80                  |
| Direct labour    | 30                  |
| Overheads        | <u>60</u>           |
| Total cost       | 170                 |
| Profit           | <u>30</u>           |
| ∴ Selling price  | <u>200</u>          |

- a) Raw Material in stock are average 1 month
- b) Material's are in process average ½ month
- c) Finished goods are in stock average 1 month
- d) Credit allowed by suppliers 1 month
- e) Credit allowed to suppliers 2 months
- f) Lag in payment of wages 1½ weeks
- g) Lag in payment of overheads 1 month
- h) ¼<sup>th</sup> output is sold in cash
- i) Cash in hand 25000/-

You are required to prepare statement showing working capital for 104000 units of production. Production is carried evenly throughout the year.

OR

What do you mean by Financial Management? State the objectives of Financial Management.

**Q2)** Attempt any two:

[16]

- a) Define financial planning and explain the various steps involved in financial planning.
- b) Explain the concept of working capital and state the importance of adequate working capital.
- c) Define leverage and explain the different types of leverages.
- d) A firm has sales of Rs.10,00,000 variable cost Rs. 7,00,000 and fixed cost Rs. 2,00,000 and debt of Rs. 5,00,000 at 10% rate of interest. What are the operating and financial leverages.

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

[10]

- a) Recurring and Non-Recurring functions of financial management.
- b) Types of financial plans.
- c) Types of working capital.
- d) Over - Capitalization.

