

Seat 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  $\frac{1}{2}$  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  $1\frac{1}{2}$  weeks
- g) Lag in payment of overheads 1 month
- h)  $\frac{1}{4}$ <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:

- 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.

