Scat No.

181 - H

(owl you) answered No. of Pages: 2

B.B.A. (Part - III) (Semester - VI) Examination, Nov. - 2013 FINANCIAL MANAGEMENT (Paper - II)

Sub. Code: 43965

Day and Date : Tuesday, 12 - 11 - 2013

Total Marks: 40

Reserves and Surplus

6% Debentures

Bank Overdraft

Q3) Wift short notes (any two):

Pay back mothor

Importance of trend malveis

Usefulness of financial statemen

Net income approach

Time: 3.00 p.m. to 5.00 p.m.

Instructions: 1) All questions are compulsory.

Current Assets

2) Figures to the right indicate full marks.

Q1) Kiran Industries Jaysingpur considering the purchase of machinery. Three alternatives are available, L M L, Tata and P & G, costing Rs.200000, 300000 and Rs.400000 respectively. The life of all the models is 4 years. Expected earnings from the machines after tax but before depreciation are as below:

Model / Year	2013 - 14	2014 - 15	2015 - 16	2016 - 17
LML	60000	80000	100000	60000
Tatali juo bni	30000	90000	120000	180000
P & G	80000	140000	180000	180000

Find out which model is more profitable according to Net Present Value Method. The present value of Re. 1 considering discounting factor at 10% is –

Year	2013 - 14	2014 - 15	2015 - 16	2016 - 17
Present Value	0.909	0.826	0.751	0.683

OR

What do you mean by Ratio Analysis? What is the significance of Ratio Analysis? Explain different types of Ratios. [14]

5:40

Q2) Write short answers (any two):

(Paper-II)

16[16]

a) Jaysingpur Ltd. presents you the following information -

Balance Sheet as on 31/3/2013

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	600000	Fixed Assets vapeou	870000
Reserves and Surplus	400000	Investments 00.2 of	80000
6% Debentures	200000	Current Assets	
Sundry Creditors	300000	Sundry Debtors	130000
Bank Overdraft	200000	Stock	300000
		Bank	250000
purchase of machinery	decens int	Cash Cash Control	70000
c G, costing Rs.200000, I	1700000	s are available. Livil.	1700000

earnings from the metaorism and according to the work are required to calculate the following ratios and moral against a second are required to calculate the following ratios and are required to calculate the following ratios.

1. Current Ratio

2. Quick Ratio, 1897 Volland

3. Debt Equity Ratio,

4. Inventory working Capital Ratio

b) A company has the following capita structure. Find out the weighted average cost of capital.

ent Value	and Particulars	Book Value	Cost (after tax)	o bnif
or at 10%	Equity Share Capital	250000	%2he present val	orlioly
[41]	Retained Earnings	100000	8%	- 2
	Preference Share Capital	100000	1-2013-1	Year
	Debentures	200000	000.0 Jule 5%	Prese
	Total	650000	erinteritaria supra paga pandalakan padamikan kating taning ton a 1 mm or pode danin 1 mm	general in a productive and a second control of

c) Explain in brief Capital Structure theories.

d) Define capital budgeting and explain the importance of capital budgeting.

Q3) Write short notes (any two):

[10]

- a) Pay back method.
- b) Importance of trend analysis.
- c) Net income approach.
- d) Usefulness of financial statements.

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