

Seat No.	
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B.B.A. (Part - III) (Semester - V) Examination, November - 2014
FINANCIAL MANAGEMENT (Paper - I)
Sub. Code : 43955

Day and Date : Wednesday, 12 - 11 - 2014

Total Marks : 40

Time : 3. 00 p.m. to 5.00 p.m.

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

Q1) From the following information prepare a statement showing Working Capital Requirement. **[14]**

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|----|--------------------|--------------|---|---------------------|
| i) | Analysis of Cost - | Raw Material | - | 30% of sales |
| | | Labour | - | 40% of sales |
| | | Overheads | - | <u>20%</u> of sales |
| | | Total Cost | - | 90% of sales |
- ii) Budgeted sales - Rs. 5,20,000/-
- iii) Raw Materials are carried in stock for 3 weeks.
- iv) Finished Goods remain in stock for 2 weeks.
- v) Factory processing takes 3 weeks.
- vi) Suppliers give credit for 5 weeks (all purchases are on credit basis).
- vii) Customers require 8 weeks credit (all sales are on credit basis).
- viii) It is the policy of the company to value debtors at cost.
- ix) You can assume 50% completion stage for the valuation of work-in-process.

OR

What do you mean by Financial Management? Explain the Recurring Finance Functions.

P.T.O.

Q2) Write Short Answers (any two)

- a) Define Financial Planning and explain characteristics of Financial Planning.
- b) Explain the determinants of Working Capital
- c) Explain the objectives of Financial Management.
- d) Define Financial Leverage and explain the significance of Financial Leverage.

Q3) Write Short Notes (any two) :

[10]

- a) Modern Approaches towards Finance Function.
- b) Overcapitalization and Undercapitalization.
- c) Importance of adequate Working Capital.
- d) Operating Leverage.

