

**SP - 354**

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**M.B.A. (Part -I) (Semester - II) (CBCS)  
(New) Examination, May - 2018  
FINANCIAL MANAGEMENT (Paper - X)  
Sub. Code: 68311**

**Day and Date : Monday, 14 - 05 - 2018  
Time :3.00 p.m. to 6.00 p.m.**

**Total Marks : 80**

- Instructions :**
- 1) Q.No.1 & 2 are compulsory.
  - 2) Attempt any two questions from Q.No. 3 to 5.
  - 3) Figures to the right indicate full marks.

**Q1)** The following ratios have been given by Jay Ltd. for the financial year 2016-17. The company has approached you as a consultant to redraft balance sheet as on 31-03-2017. **[20]**

Current ratio 1.75

Acid Test ratio 1.27

Working capital ₹ 33,000

Fixed assets to shareholders' equity = 0.625

Inventory turnover 4.

Gross profit ratio 40%

Earning per share ₹ 0.50

Debt collection period = 73 days

No. of shares issued = 20,000

Earnings for the year on share capital = 25%

There are no prepaid expenses, deferred charges, intangible assets or long term liabilities. You are required to prepare balance sheet with possible details.

**P.T.O.**

**Q2)** The following information is given as existing capital of X Ltd. **[20]**

Equity share capital	₹ 4,00,000
Preference share capital	₹ 50,000
Long term debt	₹ 3,00,000

Equity and preference shares need a dividend of 15% and 7% respectively while long term debt is taken at a cost of 10% p.a. Company wants to undertake new project of ₹ 2,50,000 which requires additional loan @ 11% p.a. Assuming the tax rate of 30%, calculate weighted average cost of capital.

**Q3) a)** Explain the objectives of financial management. **[10]**

b) Elaborate the role of finance manager of a company. **[10]**

**Q4) a)** Describe the determinants of working capital. **[10]**

b) Discuss the concept of common size financial statement with suitable example. **[10]**

**Q5)** Write short notes on any four of the following: **[20]**

- Internal Rate of Return.
- Trent Analysis.
- Scope of Financial Management.
- Fund flow statement.
- Pay back period
- Liquidity Ratios.

*EEE*