

Instructions :-

- 1) All Questions are compulsory.
Subject to internal choice.
- 2) Each question carry 15 marks.
- 3) Attempt every questions on a new page.

Q.1 Define following terms (any three).

- 1) Du Pont Chart.
- 2) Wealth maximisation.
- 3) Financial Analysis.
- 4) Cash from operation.
- 5) Retained Earnings.
- 6) Working capital cycle.

OR

Q.1 Define financial management. What are the functions of financial Management ?
What are the major objectives of financial Management ? Discuss.

Q.2 From the following Balance sheets as on 31st March 2003 and 31st march 2004
of Dhoom Pvt. Ltd. Prepare common size financial statements in vertical form.

Balance Sheet

Liabilities	2003 Rs.	2004 Rs.	Assets	2003 Rs.	2004 Rs.
Share Capital	4,00,000	5,00,000	Fixed Assets	5,40,000	6,72,000
General Reserve	20,000	40,000	Investment	1,30,000	90,000
Profit & Loss A/c	50,000	60,000	Stock	90,000	85,000
12% Debentures	1,00,000	1,50,000	Debtors	25,000	45,000
Creditors	1,35,000	45,000	Bills Receivable	---	35,000
Proposed Dividend	40,000	50,000	Cash	10,000	5,000
Provision for Tax	60,000	80,000	Bank	8,000	---
Bank Overdraft	---	10,000	Miscellaneous Expenditure	2,000	3,000
Total Rs.	8,50,000	9,35,000	Total Rs.	8,50,000	9,35,000

OR

Q.2 From the following Balance sheet, prepare a summarised Balancesheet
as on 31st March 2003.

- a) Working capital Rs.1,20,000.

- d) Assets (fixed) to Proprietary Ratio. 0.75
 e) Current Ratio 2.5
 f) Liquidity Ratio. 1.5

Also comment on the financial position of the company.

Q.3 Answer in brief. :

- a) Funds from operations
 b) Needs for preparation of funds flow statement.
 c) Changes in working capital.

OR

Q.3 Write short notes on :-

- a) Factors relevant for estimation of working capital.
 b) Working Capital Management.
 c) Gross & Net Working Capital.

Q.4 Prepare an estimate of working capital requirement from the following details of a company which has a paid up share capital of Rs. 10,00,000, 6% debentures of Rs.1,00,000 and fixed assets of Rs.7,50,000.

- 1) The monthly production & sales will be 5,000 units to be sold at Rs. 15 each.
- 2) The per unit costs will be :

materials	Rs. 6.00
Wages	Rs. 4.50
Expenses	Rs. 1.50
- 3) Raw materials & finished goods will remain in stock for 1.5 month and 2 months respectively.
- 4) The process time will be 1 month.
- 5) The credit allowed to debtors & received from creditors will be two months and one month respectively.

OR

Q.4 An industrial firm has three divisions A, B, C.

ROI objective is 20%.

Performance of all divisions is as follows :

Divisions	ROI	ITO	PM
A	10.0	10.0	24.0
B	16.0	16.0	9.0
C	4.0	4.0	32.0

Assess the financial performance, Present & comment on ROI as a full measure of divisional performance.
