

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Use of simple calculator is permitted.

**Q.1** Calculate the amount of Working Capital requirements for ABCD, Pvt. Ltd. for the year 2011 from the following information. (15)

Particulars	₹ (Per Unit)
Raw Materials	160
Direct Labour	60
Overheads	120
Total Cost	340
Profit	60
Selling Price	400

**Additional Information:**

1. Raw Materials are held in stock on an average for one month.
2. WIP on an average for half a month.
3. Finished goods are in stock on an average for one month.
4. Credit allowed by suppliers is one month.
5. Credit allowed to debtors is two months.
6. Time lag in payment of wages is half a month.
7. Time lag in payment of overhead expenses is one month.
8. Cash Sales - One fourth (1/4) of the total sales.
9. Cash in hand and at the bank is expected to be ₹ 50,000/-

Level of Production 1,04,000 units.

**OR**

**Q.1 A.** Discuss the Role of RBI in the Indian Economy. (7)

**B.** Explain the role of Commercial Banks in financing corporate sector. (8)

**Q.2** A Company wants to buy a Machine - There are two alternative models C and D. (15)

i. The relevant information as under:

Particulars	Model 'C'	Model 'D'
1. Cost of Machine	₹ 80,000	₹ 1,20,000
2. Life of Machine	4 years	4 years

ii. Company provides depreciation on Straight line method.

iii. Profit after tax for 4 years is as under.

(P.T.O.)



Year	Model 'C'	Model 'D'
1	10,000	15,000
2	20,000	20,000
3	40,000	40,000
4	60,000	60,000

You are required to calculate -

1. Pay Back Period      2. Pay Back Profitability

OR

Q.2 A. What is Management Information System? Discuss the difficulties in Installing MIS. (7)

B. What are Contingent Liabilities? State four items of Contingent Liabilities. (8)

Q.3 Prepare an Loan Amortization Schedule from the following information, assuming that the amount is an equated annual instalment. (15)

Amount Borrowed ₹ 8,80,000

Compound Annual Interest @ 6%

Repayment Period 8 Years

Equated Annual Instalment is ₹ 1,41,712.

OR

Q.3 A. State and explain various features of Term Loan. (7)

B. Explain - 1. Mortgage 2. Hypothecation 3. Pledge (8)

Q.4 The following data are extracted from the books of two companies. (15)

Particulars	'X' Co. Ltd. (₹)	'Y' Co. Ltd. (₹)
Sales	3,20,000	3,00,000
Profit after Tax	12,300	15,800
Equity Capital	1,00,000	80,000
General Reserve	23,200	64,200
Long Term Debt	80,000	66,000
Creditors	38,200	54,900
Bank Loan (Short Term)	6,000	20,000
Fixed Assets	1,59,900	1,59,000
Stock	33,100	80,900
Other Current Assets	54,400	45,200

- Calculate:
- Current Ratio
  - Debt Equity Ratio
  - Quick Ratio
  - Return on Shareholders Fund

OR

Q.4 A. Evaluate the different Financial Management Objectives. (7)

B. Explain various accounting Concepts. (8)