

25/3/14 MN3ABF

Sy FM
Corporate Fin - II

Duration: 2 Hours.

Total Marks: 60

- N.B) 1) All Questions are compulsory.
2) Each question carries equal marks.
3) Figures to the right indicate marks.
4) Use of Simple calculator is allowed.
5) Show Workings wherever necessary.

Q1.) What is Project Appraisal? State and Explain the various Areas of Project Appraisal (15)

OR

Q.1) The following is the Balance Sheet of Ishwari Limited as on 31st March 2013. You are required to present it in Vertical Form. (15)

Balance Sheet as on 31st March 2013

Liabilities	2013 Rs.	Assets	2013 Rs.
Equity shares	3,00,000	Goodwill	80,000
Reserves and Surplus	1,50,000	Plant and machinery	2,00,000
10% Mortgage Debentures	2,15,000	Land and Building	1,50,000
Sundry Creditors	1,30,000	Patents Rights	21,500
Bank overdraft	40,000	Stock in trade	1,43,500
Provisions for Tax	35,000	Cash in Hand	5,000
		Cash at Bank	10,000
		Sundry debtors	2,40,000
		Preliminary Expenses	20,000
	8,70,000		8,70,000

Q2) Define Working Capital. What are the different types of Working capital? (15)

OR

Q.2) From the following Information pertaining to SUCHITRA Ltd. prepare a statement showing the Working Capital Requirements. (15)

Budgeted Sales Rs.5,20,000 p.a.

Analysis of Sales (Per Unit)

Raw Material	Rs. 6
Direct Labour	Rs. 8
Overhead	Rs.4

Total Cost	Rs. 18
Profit	Rs. 2

Selling Price	Rs.20

It is estimated that –

- 1) Raw Material in stock of 3 weeks and Finished goods for 2 weeks.
- 2) Factory Processing takes 3 weeks.
- 3) Suppliers allow 6 weeks credit.
- 4) Customers are allowed 8 weeks credit. Assumed that production and overhead accrued evenly throughout the year.

MN3ABF

(P.T.O)

Q3) Discuss in detail different Accounting Concepts and Accounting Conventions. (15)

OR

Q3)

Particulars	Machine A	Machine B
Cost (Rs.)	2,25,000	4,50,000
Estimated Life	5 years	5 years
Rate of Income Tax	30%	30%

Profits Before Depreciation and Tax (Rs.)

Year	Machine A	Machine B
1	60,000	90,000
2	75,000	1,00,000
3	1,00,000	1,80,000
4	90,000	1,30,000
5	45,000	1,10,000

From the above information Calculate:

(15)

- 1) Payback Period
- 2) Payback Profitability
- 3) ARR

Q.4) Prepare Loan Amortisation Schedule form the following information:

(15)

Amount Borrowed Rs.12 Lakhs.
Annual Interest 12%
Repayment Period 10 Years.

OR

Q4) Write Short Notes on (any 3)

(15)

- a) Commercial Paper.
- b) Cash Flow Statement
- c) Auditors Report
- d) Objectives of Financial Management
- e) Insider Trading