

[A-11]

No. Of Printed Pages: 02

SC-2

SARDAR PATEL UNIVERSITY
S.Y B.B.A. (ISM) IVth SEMESTER
FINANCIAL MANAGEMENT –II (UM04CBBS05)

19th APRIL, 2016

TIME: 10:30AM TO 12:30 PM

TOTAL MARKS-60

Note: Figures to the right indicate marks.

Q.1 The Balance-sheet of SHAKSHI Ltd is as on 31st March 2014 and 2015. (15)

Liabilities	2014	2015	Assets	2014	2015
Share Capital	9,00,000	9,00,000	Fixed Assets	800,000	6,40,000
General reserve	6,00,000	6,20,000	Investments	1,00,000	1,20,000
Profit & Loss A/C	1,12,000	1,36,000	Stock	4,80,000	4,20,000
Creditors	3,36,000	2,68,000	Debtors	4,20,000	9,10,000
Provision for Taxation	1,50,000	20,000	Bank	2,98,000	3,94,000
Mortgage Loan (Long term)	-	5,40,000			
	20,98,000	24,84,000		20,98,000	24,84,000

Additional Information:

- Investment costing Rs.16, 000 were sold during the year for Rs.17, 000.
- Provision for Taxation made during the year was Rs.18, 000.
- During the year, parts of fixed assets costing Rs. 20,000 were sold for Rs. 24,000. The profit was included in Profit & Loss A/C.
- Dividend paid during the year amounted to Rs.80, 000

Prepare a Cash-flow statement.

OR

Q.1 What is Cash-Flow Statement? Discuss its utility and limitations. (15)

Q.2 The following are the details of PQR Ltd. Prepare Income Statement. (15)

Particulars	P	Q	R
Variable Cost (as % of Sales)	70 %	60%	50%
Interest	Rs.500	Rs.400	Rs.200
Operating Leverage	3	4	6
Financial Leverage	6	2	5
Tax Rate	50%	50%	50%

OR

①

- Q.2** Calculate Operating Leverage, Financial Leverage, and Combined Leverage under situation I and II and Financial Plan A and B respectively from the following information relating to operation and capital structure of a company. What are the combinations of Operating and Financial leverages which give highest and least value? (15)

Installed Capacity	5000 unit	
Actual Production and Sales	50% of installed capacity	
Selling price per unit	Rs.20	
Variable cost per unit	Rs.10	
Fixed Cost: Situation I-Rs. 12,000	Situation II- Rs.10, 000	
Capital Structure:	Financial Plan	
	A (Rs.)	B (Rs.)
Equity	10,000	20,000
Debt (Interest on debt is 10%)	30,000	20,000
	40,000	40,000

- Q.3(A)** Define the term Leasing. Explain its types. (10)
(B) Write a short note on: Project Finance. (05)

OR

- Q.3(A)** Distinguish between Operating Lease and Financial Lease. (10)
(B) Differentiate between Leasing and Hire Purchase. (05)

- Q.4(A)** Discuss types of Mutual Funds. (10)
(B) Write a short note on: ICICI. (05)

OR

- Q.4(A)** Discuss Pros and Cons of Internet Banking (10)
(B) Discuss the role of Merchant Banker (05)

ALL THE BEST