

(A-1) Seat No: \_\_\_\_\_

No. of Printed Pages: 2

SARDAR PATEL UNIVERSITY

BBA(ISM) - IV SEMESTER EXAMINATION (NC-2010)

Wednesday, 11<sup>th</sup> May 2016

10:30am to 12:30pm

UM04EBBS02 - Financial Management – II

SSC

Note: (1) figure to the right indicate full marks to the question concerned.

Total Marks: 60.

(2) Show your working clearly wherever needed.

Q-1 From the following Balance sheet of Nilkanth Co. Ltd., make out cash flow statement. [15]

## Balance sheet

Liabilities	31-3-99	31-3-2000	Assets	31-3-99	31-3-2000
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable Pref. share capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Machinery	80,000	2,00,000
Profit & loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash on hand	15,000	10,000
Provision For Taxation	40,000	50,000	Bank balance	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

## Additional Information:

- During the year 1999-2000 depreciation charged was Rs.10,000 on machineries and Rs.20,000 on land & Building.
- Interim dividend paid during 1999-2000 amounted to Rs.20,000.
- Taxation paid during 1999-2000 was Rs.35,000.

OR

Q-1 Explain the meaning of cash flow statement, utility and limitation of cash flow analysis in detail. [15]

Q-2 From the following information available for four companies. Calculate EBIT, EPS, Operating leverage, financial leverage and combined leverage. [15]

Particular	P	Q	R	S
Selling price/ unit(Rs.)	15	20	25	30
Variable cost/Unit(Rs.)	10	15	20	25
Quantity (No's)	20000	25000	30000	40000
Fixed Costs (Rs.)	30000	40000	50000	60000
Interest (Rs.)	15000	25000	35000	40000
Tax Rate (%)	40	40	40	40
No. of Equity share	5000	9000	10000	12000

OR

Q-2 A What is leverage? Explain all types of leverages with their implication. [09]

(P.T.O)

①

B The following figures providing data of two companies.

[06]

Particular	Rs. In lakhs	
	P Ltd	Q Ltd
Sales	500	1000
Variable cost	200	300
Fixed cost	150	400
EBIT	150	300
Interest	50	100
PBT	100	200

You are required to Calculate the operating, financial and combined leverage for the two companies.

Q-3 A Explain the meaning of leasing and discuss various types of lease.

[12]

B Write note on project finance.

[03]

OR

Q-3 A Discuss Merit & Demerit of leasing.

[08]

B Explain the difference between lease and hire purchase.

[07]

Q-4 Write a short note on following (Any Three).

[15]

- I. Money market.
- II. Capital market.
- III. Call money market & Stock exchange
- IV. Merchant Banking.

OR

Q-4 A What is mutual fund? Explain various types of mutual fund in details.

[08]

B Write short note on Development banks- SIDBI and IDBI

[07]

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(2)