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Reg. No.....

Name.....

FIVE YEAR B.B.A., LL.B. (HONOURS) DEGREE EXAMINATION, MAY 2025

Fifth Semester

FB 13—FINANCIAL MANAGEMENT

(2022 Admissions—Regular/2018 to 2021 Admissions—Supplementary)

Time : Three Hours

Maximum Marks : 75

Part A

Answer any five questions.

Each question carries 3 marks.

1. Name the features of optimum capital structure.
2. What do you mean by wealth maximization ?
3. Describe the concept of concentration banking.
4. Describe the risks associated with receivables.
5. Write down the significance of turnover ratio.
6. What is a common size statement ?

(5 × 3 = 15)

Part B

Answer any three questions.

Each question carries 10 marks.

7. What is financial statement analysis ? Discuss the importance, types and limitations of financial statement analysis ?
8. State elaborately the factors affecting working capital.
9. Using imaginary figures present a comparative statement with brief interpretations of your analysis.

Turn over

10. From the following balance sheet of a company, you are required to calculate : (1) Current ratio ; (2) Debt equity ratio : and (3) Solvency ratio.

<i>Liabilities</i>	Rs.	<i>Assets</i>	Rs.
Share Capital	... 20,00,000	Fixed assets	... 24,00,000
Debentures	... 10,00,000	Current assets	... 16,00,000
Current Liabilities	... 10,00,000		
Total	... 40,00,000	Total	... 40,00,000

(3 × 10 = 30)

Part C

*Answer any two questions.
Each question carries 15 marks.*

11. Define finance function. Discuss the nature and scope of finance function.
12. From the following Profit and Loss Account of Samarth Ltd., calculate net cash flows from operating activities :

<i>Particulars</i>	Rs.	<i>Particulars</i>	Rs.
To depreciation	... 40,800	By gross profit	... 3,94,400
" rent	... 72,000	" profit and sale of	
" administrative expenses	... 48,000	building	... 53,600
" salaries	... 64,000	" profit on sale of furniture	... 50,400
" Loss on sale of plant	... 12,800	" income tax refund	... 18,400
" provision for bad debts	... 64,000		
" goodwill written off	... 34,400		
" loss on sale of machinery	... 19,600		
" provision for tax	... 24,000		
" proposed dividend	... 48,000		
" net profit	... 89,200		
Total	... 5,16,800	Total	... 5,16,800

13. From the following Balance sheet as on 31st March 2018 and 2019, you are required to prepare a fund flow statement for the year ended 31.03.2019.

<i>Liabilities</i>	2018	2019	<i>Assets</i>	2018	2019
Share capital ...	1,00,000	1,25,000	Buildings ...	1,00,000	95,000
General Reserve ...	25,000	30,000	Plant ...	75,000	84,500
Profit and Loss Account ...	15,250	15,300	Stock ...	50,000	37,000
Bank Loan ...	35,000	67,600	Debtors ...	40,000	32,100
Creditors ...	75,000	—	Cash ...	250	300
Provision for tax ...	15,000	17,500	Bank ...	—	4,000
			Goodwill ...	—	2,500
Total	2,65,250	2,55,400	Total	2,65,250	2,55,400

Additional information :

- Dividend Rs. 11,500 was paid.
- Depreciation written off on plant Rs. 7,000.
- Income tax provision was made during the year Rs. 16,500.

(2 × 15 = 30)