

F 7242

(Pages : 3)

Reg. No.....

Name.....

**FIVE YEAR INTEGRATED B.B.A., LL.B. (HONOURS) DEGREE
EXAMINATION, MARCH 2022**

Fifth Semester

FB 13—FINANCIAL MANAGEMENT

(2018 Admissions—Regular)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five of the following questions.

Each question carries 3 marks.

1. Illustrate the procedure for preparing Common Size balance sheet.
2. Write down any two needs for preparing Cash Flow Statement.
3. Distinguish between Profit Maximisation and Wealth Maximisation.
4. Describe the concept of Optimal Capital Structure.
5. How Vertical Analysis differ from Horizontal Analysis ?
6. State any three limitations of Ratio Analysis.

(5 × 3 = 15 marks)

Part B

Answer any three of the following questions.

Each question carries 10 marks.

7. Define Financial Management. Discuss the scope, tools and objectives of Financial Management.
8. What do you mean by Working Capital ? Discuss the different concepts and determinants of Working Capital.
9. From the following information given below, calculate Inventory Turnover Ratio, Receivables Turn Over :

Particulars	Year	Amount
Sales (100% Credit)	2015	4,50,000
Inventories	2014	60,000

Turn over

Particulars	Year	Amount
Inventories	2015	70,000
Return Inwards	2015	30,000
Sundry Debtors	2014	60,000
Sundry Debtors	2015	40,000
Bills Receivables	2014	30,000
Bills Receivables	2015	50,000
Gross Profit	2015	30 percent

10. From the following balance sheet of Shri Raghavendra Kripa Ltd as on 31st Dec 2018 and 2019, calculate cash from operation :

Liabilities	2018	2019	Assets	2018	2019
Share Capital	1,20,000	1,50,000	Building	65,000	65,000
P&L Account	45,000	65,000	Machinery	90,000	1,20,000
Creditors	30,000	22,000	Stock	20,000	15,000
Outstanding Expenses	1,200	400	Debtors	18,000	20,000
Bills Payable	18,000	22,000	Cash at bank	17,000	32,300
Total	2,14,200	2,59,400	Cash in hand	4,200	7,100
			Total	2,14,200	2,59,400

(3 × 10 = 30 marks)

Part C

Answer any two of the following questions.
Each question carries 15 marks.

11. Discuss the nature of Financial statement. Explain in what ways such an analysis may benefit managerial personnel, owners and creditors.
12. From the following you are required to prepare a Balance Sheet :

Current Ratio	1.75
Liquid Ratio	1.25
Stock Turnover Ratio	9
Gross Profit Ratio	25%
Debt Collection Period	1- to 1.5 months
Reserves and surplus to capital	0.2
Turnover to fixed assets	1.2
Capital Gearing Ratio	0.6
Fixed Assets to Net worth	1.25
Sales for the year	24,00,000

13. From the following comparative balance sheet of Sai kripa at Bhopal for 2016 and 2017 are available :

Liabilities	2016	2017	Assets	2016	2017
Equity share capital	9,00,000	10,50,000	Fixed Assets	15,30,000	18,60,000
8% preference shares	6,00,000	3,00,000	Investments	90,000	2,40,000
Debentures	3,00,000	6,00,000	Current assets	7,20,000	11,25,000
Profit and Loss A/C	3,30,000	8,10,000	Discount on debentures	30,000	15,000
Current Liabilities	2,40,000	4,80,000	Total	23,70,000	32,40,000
Total	23,70,000	32,40,000			

Additional Information :

- A machine costing Rs. 1,20,000 was sold for Rs. 75,000.
- A redemption at a premium of 15% was done for preference shares on 31st Dec 2017.
- Equity shares were paid a dividend at 15% for 2016.
- Depreciation was charged on fixed assets during the year was Rs. 1,80,000.

You are required to prepare statement showing the sources and application of funds for the year ended 31st Dec 2017.

(2 × 15 = 30 marks)