

TY BMM (Sem-VI) 16/4/2016

Mgt For Marketing &

1 Advertising

FM

(2½ Hours)

QP Code : 25893

[Total Marks : 75

N.B. : 1. Attempt all questions subject to internal choice.

2. Figures to the right indicate marks.

3. Use of simple calculator is permitted

Time 2 hours and 30 minutes

Marks 75.

Q1

(15 Marks)

From the following information calculate

- Debt Equity Ratio
- Current Ratio
- Proprietary Ratio
- Stock Working Capital Ratio
- Gross Profit Ratio
- Net Profit Ratio
- Debtors Turnover Period
- Collection Period

Income Statement of Vandana Ltd for the year ended 31-03-2015

Particulars	Rs
Sales	12,00,000
Less: Cost of Goods Sold	7,00,000
Gross profit	5,00,000
Less: Operating Expenses	3,80,000
Net Profit before Tax	1,20,000
Less : Tax @50%	60,000
Net Profit after Tax	60,000

Balance Sheet of Vandana Ltd as on 31-03-2015

Particulars	Rs	Rs
I. Sources of Funds		
Equity Share Capital		4,00,000
Reserves		1,40,000
Net Worth		7,40,000
10% Debentures		2,00,000

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Total		9,40,000
II. Application of Funds		
Net Fixed Assets		7,40,000
Investment		1,60,000
Stock	1,40,000	
Debtors	1,20,000	
Cash	40,000	
Less		
Creditors	80,000	
Outstanding expenses	1,80,000	40,000
Total		9,40,000

OR

Q1 Define a budget. Discuss in detail different types of budgets. What are their merits?
(15 Marks)

Q2

(15 Marks)

The sales and profit during the last two years are as follow:

years	Sales(Rs.)	Profit(Rs.)
2005	400000	20000
2006	500000	40000

You are required to calculate:

- P/V ratio.
- Fixed cost
- Breakeven point.
- The sales required to earn profit of Rs. 80,000
- The profit made when sales are Rs. 7,00,000.
- Margin of safety for year 2005 & 2006
- Variable cost of the two years.

OR

Q2

(15 Marks)

What is Working Capital ? What are the various factors that affect the working capital requirement of an organisation ?

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Q3

(15 Marks)

A manufacturing company provided the following figures for the second quarter of 2015:

Month	Product A units	Product B units
April	25000	25000
May	25000	20000
June	35000	30000

Product A was priced at Rs. 20 and product B was priced at Rs. 15.

Prepare a sales budget for the second quarter of 2016, assuming:

- Sales quantity of A increases by 20% and that of B by 10%.
- Sales price of A increases by Rs. 5 and that of B reduced by Rs. 2.

OR

Q3

(15 Marks)

- What are the Merits & Demerits of Ratio Analysis ?
- Write a Short Note on Capital Budgeting

Q4

(15 Marks)

Prepare the cash budget of a trader for the three months commencing from April with the following details :

- Cash sales are 25% of total sales.
- 60% of Credit sales are collected in the same month and the balance 40 % in the following month.
- 60% of purchase payment is made in the same month and 40% in the following month.
- Dividend received in May Rs 11000
- Cash balance on 31st March is Rs 5,00,000

The following details are also provided :

Month	Sales Rs	Purchases Rs	Wages Rs,	Rent Rs.
March	8,00,000	2,25,000	80,000	4,000
April	3,00,000	3,20,000	80,000	4,000
May	4,00,000	3,20,000	80,000	4,000
June	4,00,000	4,80,000	1,00,00	4,000
July	6,00,000	4,00,000	1,00,00	4,000

OR

Q4

(15 Marks)

(A) Define finance. Explain the different functions of a Finance Manager. (7)

(B) What is a debenture? What are the different types of Debentures? (8)

Q5

Classify the following on the basis of :

(15)

A. Traceability to the Product

1. Carriage expenses on raw materials
2. Advertisement expenses
3. Office rent
4. Packing Expenses
5. House keeping staff wages

B. Behaviour to change in level of activity

1. Managers salary
2. Direct labour
3. Sales commission
4. Electricity expenses
5. Office rent

C. Function

1. Delivery van expenses
2. Auditors fees
3. Heating and Lighting charges
4. Printing and Stationery expenses
5. Advertising Expenses

OR

Q5

(15 Marks)

Write a Short Note on (Any three)

1. Types of Preference Shares
2. Break Even Analysis
3. Types of Lease contracts
4. Business plan
5. Short term sources of finance