

D.B.M.(with Credits)-Regular-2012-13 & Onwards D.B.M.
DBM-02 - Management Accounting & Financial Management Paper-II

P. Pages : 3

Time : Three Hours



GUG/W/16/5184

Max. Marks : 80

- Notes : 1. Attempt **any four** questions.
2. All questions carry equal marks.

1. Explain the concepts & objective of Ratio analysis. 20
2. What is Financial Planning ? Explain the basic considerations of financial planning. 20
3. Explain the concept need & sources and approaches to financing cash and receivables management. 20
4. Discuss the role of IRDA. Explain the concept of brokerage and reinsurance. 20
5. Balance Sheet of Mukesh Company Ltd. are as follows: 20

Particular	2012	2011
Share Capital	2,00,000	1,00,000
Share Premium	5,000	-
Mortgage Loan	20,000	30,000
Debenture	10,000	10,000
Bank Loan	18,000	28,000
Creditor's	30,000	20,000
Unpaid Expenses	5,000	3,000
Bad debt Reserve	4,000	2,000
General Reserve	4,000	3,000
Tax Provision	8,000	10,000
P/L Account	10,000	8,000
Dep fund on Building	3,000	4,000
	3,17,000	2,18,000
Building	20,000	15,000
Land	30,000	25,000
Machinery	20,000	40,000
Stock	30,000	20,000
Debtor's	40,000	30,000
Cash	10,000	5,000
Bank balance	2,000	8,000
Goodwill	5,000	10,000
Share discount	1,000	2,000
Bill Receivable	20,000	30,000
Petty Cash	100	500
Investment	1,38,900	32,500
	3,17,000	2,18,000

Adjustments : -

- 1) Interim dividend paid in 2012 Rs 5000.
- 2) Tax paid during the year Rs. 22,000.
- 3) Building sold for Rs. 3000 which is cost price Rs. 5000 and which accumulated depreciation Rs 3000.
- 4) Depreciation charge on Machinery in current year Rs 5000.
- 5) Investment costing Rs. 30,000 was sold for Rs. 25,000.
- 6) Share of Rs. 5000 issued for the purchase of Building.
- 7) Prepare fund flow statement

6. From the following budgeted data, forecast the cash position at the end of April, May and June 2015. **20**

Month	Sales (Rs)	Purchase (Rs)	Wages (Rs)	Misc Expenses (Rs)
February	1,20,000	84,000	10,000	7,000
March	1,30,000	1,00,000	12,000	8,000
April	80,000	1,04,000	8,000	6,000
May	1,16,000	1,06,000	10,000	12,000
June	88,000	80,000	8,000	6,000

Additional Information: -

- 1) Sales 20% realized in the month of sale discount allowed 2% balance realized equally in two subsequent month.
- 2) Purchase - these are paid in the month following the month of supply.
- 3) Wages - 25% paid in arrears following Month.
- 4) Misc Expenses - paid a month in arrears.
- 5) Rent - Rs 1000 pm paid quarterly in advance due in April.
- 6) Income tax, First installment of advance tax Rs. 25,000 due on or before the 15th June.
- 7) Income From Investment Rs. 5000 realized quarterly April, July etc.
- 8) Cash in hand Rs. 5000 on 1st April 2015.

7. ABC Cements Ltd. sells its products on a gross profit of 20% on sales - The following information is extracted from its annual accounts for the current year ended on 31st March 2014. 20

Sales at 3 months credit	40,00,000
Raw Material	12,00,000
Wages paid average time lag 15 days	9,60,000
Manufacturing expenses paid one month in arrears	12,00,000
Administrative expenses paid one month in arrears	4,80,000
Sales promotion expenses payable half year in advance	2,00,000

The company enjoy's One Month Credit from the Supplier's of raw Material and Maintain a 2 Month Stock of Raw Material and one and half month's stock of finished goods the cash Balance is Maintained at Rs. 1,00,000 as a precautionary measure.

Assuming 10% Margin

Find out the working capital requirement of the company.

8. Assuming that a company pay's income-tax @40% Calculate the after tax. Cost of capital in the following cases. 20

- a) A 8.5% preference share sold at par redeemable after 5 year.
- b) A perpetual bond with 8% rate of interest.
- c) A ten year's 8% Rs 1000 debentures sold at Rs. 950 less 4% Underwriting Commission.
- d) A preference share sold at Rs 100 with 9% Dividend and redemption price of Rs 110 and redemption period of 7 Year's.

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