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N.B:	1 1	uneck when	ier you hav	e got the rigl	ht qu	estion na	Der	
	1. A	questions	are compu	lsory carryin	19 15	Marke	per.	
	2. W	orking not	es and assi	Imptions she	and	fuering	cach.	
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Money LTD. H	as anticipa	ted sales as un	der					
adiy to ivid	ren			00.000 0.11				
April to August	t		Re 7	00,000 P.M				
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ine material c	ost is 25%	and Labour co	ns. 1,	00,000 P.M				3
commission is s	5% on sales	and general o	verheads arou	ales. The produ	iction	overhead :	20% of sales.	The sales
Decembring the minimum c	ash balanc	e is Rs. 25,000.	Irregular par	a 10% on sales.	The cr	edit period	for sales is 1	2 months
December @ Re	s. 25,000 (b	) Dividend Rs.	1.00 000 in A	nents (a) income	e tax ir	istallmenti	in June, Sente	mber and
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Prepare cash bu	idget for A	pril to Septemi	)er			18 X 1		chreinper
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SKY Ltd. is consid	dering nur	handler		Same in the second				
cost of capital is	12% Doto	mase of a mac	nine. Two mad	hines 'RAIN' and	d FOR	FST and	3107/3	
Particular	1270. Dela	is of the Mach	nines are as fo	llows:-	- Qui	For areav	allable. Comp	anies 15
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11 12%	0.893	0.797					6	
			1 21/22	0.636		0.567	0.507	-
e following inform 1. Present ave 2. Variable cos	mation is si trage collect st is 40% of	upplied :- tion period is : sales.	he firm is, the	s currently exter re willing to carr refore considerii	nding : ry incr ng shif	30 days Cre eased stock t in credit p	dit to the dea (s, but the dea policy.	ilers . <b>15</b> alers
<ol> <li>Fixed cost is</li> <li>Required (Pi</li> <li>Assuming th</li> </ol>	re tay roti	inter and the	ent is 10%					
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- nequired (Pi	re tax) retu at 1 year =	irn on investm 360 days.	1	E187B067	ΤI	JRN OVER		
i c i s	Money LTD. H January to Ma April to Augus September to The material c commission is 9 The minimum of December @ Rs and March. Prepare cash bu SKY Ltd. is consid cost of capital is Particular Cost of Machine Expected life Annual income Depreciation an Corporate Tax R epreciation is to period and 2 . Net the present value (ear at 12%)	2. W 3. Us Money LTD. Has anticipa January to March April to August September to December The material cost is 25% commission is 5% on sales The minimum cash balance December @ Rs. 25,000 (b and March. Prepare cash budget for A SKY Ltd. is considering purce cost of capital is 12%. Deta Particular Cost of Machine Expected life Annual income before Depreciation and Tax Corporate Tax Rate epreciation is to be charged eriod and 2 : Net present value factor of I tag 1 tag 2 Shna Ltd has a present ann s felt that sales can aid.	2. Working not         3. Use of simple         3. Use of simple         Money LTD. Has anticipated sales as un         January to March         April to August         September to December         The material cost is 25% and Labour co         commission is 5% on sales and general o         The minimum cash balance is Rs. 25,000.         December @ Rs. 25,000 (b) Dividend Rs.         and March.         Prepare cash budget for April to September         SKY Ltd. is considering purchase of a mach         cost of capital is 12%. Details of the Mach         Cost of Machine         Rs. 100         Expected life         Annual income before         Rs. 3,4         Corporate Tax Rate         30%         epreciation is to be charged on straight financial and 2 : Net present value.         the present value factor of Rs. 1 are as follower         Year       1         2       0.893         Order of Rs. 1 are as follower         Sensent value factor of Rs. 1 are as follower         Year       1         Sensent value factor of Rs. 1 are as follower         April 12%       0.893         Sensent value factor of Rs. 1 are as follower	2. Working notes and assist         3. Use of simple calculator         3. Use of simple calculator         January to March       Rs. 2,         April to August       Rs. 1,         The material cost is 25% and Labour cost is 15% of commission is 5% on sales and general overheads are of the minimum cash balance is Rs. 2,000 (b) Dividend Rs. 1,00,000 in A and March.         Prepare cash budget for April to September.         Cost of capital is 12%. Details of the Machines are as for the Machine Rs. 100,000 in A annual income before         Rs. 12%. Details of the Machines are as for the series of a machine. Two machines are as for the machine is to be charged on straight line basis you a are of and 2 : Net present value.         Pepreciation is to be charged on straight line basis you a are of and 2 : Net present value.         Pepreciation is to be charged on straight line basis you a are of and 2 : Net present value.         Shna Ltd has a present annual sales of Rs. 30,00,000 it is a feit that sales can aide.	<ol> <li>Working notes and assumptions shifts.</li> <li>Use of simple calculator is allowed.</li> <li>Use of simple calculator is allowed.</li> </ol> Money LTD. Has anticipated sales as under January to March Rs. 2,00,000 P.M April to August Rs. 2,00,000 P.M September to December Rs. 1,00,000 P.M The material cost is 25% and Labour cost is 15% of sales. The producommission is 5% on sales and general overheads are@ 10% on sales. The minimum cash balance is Rs. 25,000. Irregular payments (a) incomm December Rs. 25,000 (b) Dividend Rs. 1,00,000 in August. (c) Interest and March. Prepare cash budget for April to September. OR SKY Ltd. is considering purchase of a machine. Two machines 'RAIN' and cost of capital is 12%. Details of the Machines are as follows: Particular Machine Rs. 10,00,000 Rs. 4,55,000 Expected life S years 6 years Annual income before Rs. 3,45,000 Rs. 4,55,000 Expected life 15 years 6 years Annual income before Rs. 1 are as follows: Pereciation is to be charged on straight line basis you are required to calculate and Tax 12%. Details of Rs. 1 are as follows: Year 1 2 3 4 Year 1 2 3 4 Year 1 2 3 4 Year 1 4 3 4 Year 1 4 3 4 Year 3 4 Year 1 4 5 Y	2. Working notes and assumptions should         3. Use of simple calculator is allowed.         3. Use of simple calculator is allowed.         Money LTD. Has anticipated sales as under         January to March       Rs. 2,00,000 P.M         April to August       Rs. 2,00,000 P.M         September to December       Rs. 1,00,000 P.M         The material cost is 25% and Labour cost is 15% of sales. The production commission is 5% on sales and general overheads are@ 10% on sales. The cr         The minimum cash balance is Rs. 25,000. Irregular payments (a) income tax in December @ Rs. 25,000 (b) Dividend Rs. 1,00,000 in August. (c) Interest on b and March.         Prepare cash budget for April to September.       OR         SKY Ltd. is considering purchase of a machine. Two machines 'RAIN' and 'FOR cost of Capital is 12%. Details of the Machines are as follows:-         Particular       Machine-FOREST         Cost of Machine       S. 3,45,000         Annual income before       5 years         Annual income before       S years         Annual income before       30%         Depreciation is to be charged on straight line basis you are required to calculate and 2 : Net present value.         epreciation is to be charged on straight line basis you are required to calculate and and 2 : Net present value.         epreciation is to be charged on straight line basis you are required to calculate and and 2 : Net present value.	2. Working notes and assumptions should from pa     3. Use of simple calculator is allowed.     Money LTD. Has anticipated sales as under     January to March     April to August     Rs. 2,00,000 P.M     April to August     Rs. 2,00,000 P.M     The material cost is 25% and Labour cost is 15% of sales. The production overhead.     Commission is 5% on sales and general overheads are@ 10% on sales. The credit period     The minimum cash balance is Rs. 25,000. Irregular payments (a) income tax installment:     December @ Rs. 25,000 (b) Dividend Rs. 1,00,000 in August. (c) Interest on borrowing R     Prepare cash budget for April to September.     OR     SKY Ltd. is considering purchase of a machine. Two machines 'RAIN' and 'FOREST' are av     cost of capital is 12%. Details of the Machines are as follows:-     Prepare cash budget for April to September.     OR     SKY Ltd. is considering purchase of a machine. Two machines 'RAIN' and 'FOREST' are av     cost of Capital is 12%. Details of the Machines are as follows:-     Prepare cash budget for April to September.     OR     SKY Ltd. is considering purchase of a machine. Two machines 'RAIN' and 'FOREST' are av     cost of Machine Rs. 10,00,000     Rs. 4,55,000     preciation and Tax     Cost of Machine Rs. 3,45,000     Rs. 4,55,000     epreciation is to be charged on straight fine basis you are required to calculate: - 1. Disco     epreciation is to be charged on straight fine basis you are required to calculate: - 1. Disco     represent value factor of Rs. 1 are as follows:     Yea 1 2 3 4 5	1. An questions are compulsory carrying 15 Marks each.         2. Working notes and assumptions should from part of your         3. Use of simple calculator is allowed.         Money LTD. Has anticipated sales as under         January to March       Rs. 2,00,000 P.M         April to August       Rs. 2,00,000 P.M         September to December       Rs. 1,00,000 P.M         The material cost is 25% and Labour cost is 15% of sales. The production overhead 20% of sales.         commission is 5% on sales and general overheads are@ 10% on sales. The credit period for sales is 1         December @ Rs. 25,000 (b) Dividend Rs. 1,00,000 in August. (c) Interest on borrowing Rs. 50,000 in S         Prepare cash budget for April to September.         OR         SKY Ltd. is considering purchase of a machine. Two machines 'RAIN' and 'FOREST' are available. Comp         Particular         Cost of Machine       Rs. 10,00,000         Rs. 10,00,000       Rs.15,00,000         Rs. 10,00,000       Rs.15,00,000         Particular       Machine-RAIN         Cost of Machine       Rs. 10,00,000         Rs. 3,45,000       Rs. 4,55,000         Depreciation and Tax       30%         Corporate Tax Rate       30%         30%       30%         eprecelation is to be charged on straight line basis you are required to calc

CREDIT POLICY	AVERAGE COLLECTION PERIOD (DAYS)	ANNUAL SALES (Rs.)
A	45	38,00,000
В	60	46,00,000
C	75	56,00,000

Which of the above proposals would you recommend to the company to accept?

OR

Q.2 BABU LTD. desires to estimate working capital requirement for year 2017-18 expected annual output 7,20,000 unit. The cost structure for the company is as follows:

		Cost per unit(Rs.
Raw material		20
Wages		5
Overheads		15
Total cost		40
Profit	1 1 1 1 1 1 K	5
Selling price		45

The other data is as follows:

- 1) 30% of the sales is on cash basis and 15% of the purchases is on cash basis.
- 2) The stock holding of materials is of 3 months.
- 3) Processing period is of 2 months.
- 4) Finished goods remain in the store for 1 month.
- 5) Credit allowed to debtors is 2 months.
- 6) Credit allowed by creditors is 1 months.
- 7) Time lag in payment of wages is 2 months.
- 8) Overheads are paid 2 months in advance.
- 9) Cash balance Rs. 80,000 is to be maintained.
- 10) Production and overheads accrue evenly throughout the year.
- 11) Calculate amount of debtors at selling Price.
- 12) Estimate the amount of working capital requirement
- 13) Calculate, Maximum permissible bank finance under First and second method of financing as per Tandon committee.
- Q.3 A] M/s kejal product Ltd. has offered discounts on its order in the manner stated as follows:-

Price per Tonne	Order {in TONNES}
14	300 but less than 400
13	400 but less than 1,500
12.50	1,500 but less than 3,000
12.40	3,000 but less than 7,000
312:10 0 2 1 3 4 1 1 1 8 8 3 5 4	7,000 And over
The Annual demand for the material is 7,00	0 tonnes. Inventory carrying costs are 20% of n

The Annual demand for the material is 7,000 tonnes. Inventory carrying costs are 20% of material cost (Price per ton) per annum. The delivery cost per order is Rs. 10 Calculate the "Best quantity order" for M/s kejal product Ltd.

2

TURN OVER

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## Q.P. Code :05070

- B] Mr. Dhruv Ltd. gives you the following information in respect of components X used in the manufacturing 07 process:-
  - Normal usage Maximum usage Minimum usage Reorder quantity Reorder period Calculate:-
    - 1) Reorder level
    - 2) Minimum level
    - 3) Maximum level
    - 4) Average stock.

300 units per week 400 units per week 200 units per week 1,700 units 2 to 4 weeks

OR

Q.3 Evaluate a project which requires an initial outlay of Rs.2,00,000 and generates revenue of Rs.1,20,000, 15
 Rs. 60,000, Rs.40,000 Rs.1,00,000 from the end of the first year to the end of the fifth year. The required rate of return is 10% and income tax rate is 50%. The project has a life of five years and will be depreciated on straight line basis. Present value of Rs. 1 at 10%. Discounting factor:

Year	1	2	3	4	5
Discounting	0.909	0.826	0.751	0.683	0.621
factor		2 2 2 2	18 30 2 4 3	188838	8000

Calculate : 1. Net present value 2. Profitability index

Q.4 A] State whether the following statement are true or false (Reason not required) and rewrite .

- 1. Capital Budgeting is the process of making investment decision for capital Expenditure.
- 2. Debenture is a debt instrument.
- 3. Debenture holders have right to control.
- 4. Profitability index is a PV of returns per rupee invested
- 5. Lag in payment of overheads increases working capital requirement.
- 6. Higher rate of stock turnover reduces liquidity.
- 7. Deprecation is a Non Cash Cost.
- 8. Seasonal Working Capital remains constant.

## B] Match the column with the most appropriate answer and rewrite the correct statement

A	В
1. Working Capital	a. Fluctuating rate of dividend
2. Capital budgeting decision	b. Economic order Quantity
3. Equity Share Capital	c. Minimum permissible Bank Finance
4. ABC analysis	d. Current assets minus current liabilities
5. Terms of payments	e. Aspects of receivable management
6. EOQ	f. Cash receipts and Cash payments are estimated
7. Cash budget	g. Long term investment decisions
	h. Techniques of Inventory control

OR

TURN OVER

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07

## Write a short notes on the following (Any three)1. Gross and net working capital2. Importance of Capital Budgeting. Q.4

- VED analysis
   Aspects of Receivable management
- 5. Net present Value

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