



**K. K. Wagh Institute of Engineering Education & Research, Nashik**  
(An Autonomous Institute From A.Y. 2022-23)

SUMMER-2024	
Exam Seat No.:	
Academic Year:2023-2024	Semester:IV
Class:SY	Program:B.Tech
Branch Code:INT	Pattern:2022
Name of Course:Financial Management	Course Code:INT222015
Max. Marks:60	Duration:2.30 Hrs.

**Instructions:** Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use.

1. This question paper contains 4 page(s).
2. Answer to each new question is to be started on a new page.
3. Assume suitable data wherever required, but justify it.
4. Draw the neat labelled diagrams, wherever necessary.
5. The last columns indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.

**Question No. 1 Attempt following Question**

- 1a) **Discuss different types of accounting and methods of accounting** (6) CO1

**Question No. 2 Attempt following Question**

- 2a) **Indicate where the following items will be shown in various components of the Trading Account and P & L Account-** (6) CO2

1) Wages
2) Salaries to office staff
3) Depreciation on office car
4) Power & fuel
5) Repairs to machinery
6) Maintenance of office building
7) Purchase returns or return outwards
8) Closing stock of WIP
9) Opening stock of finished goods
10) Interest received
11) Dividend received
12) Interest Received

**Question No. 3 Attempt following Question**

- 3a) **What do you understand by the term liquidity ratio? Describe the same with examples.** (5) CO3

**OR**

- 3b) Calculate the Current Ratio, Quick Ratio, debt-equity ratio, propitiatory ratio, and total liability to total asset ratio from the following information (5) CO3

Total Current Assets-	Rs. 5,78,000/-
Total Current Liabilities-	Rs. 3,16,000/-
Closing Stock-	Rs. 1,80,000/-
Equity/shareholders fund	Rs. 14,00,000/-
Debt	Rs. 4,60,000/-
Total Assets	Rs. 18,00,000/-

- 3c) Discuss the advantages of Ratio Analysis. (5) CO3

OR

- 3d) From the following details of CA Ltd. Calculate the profitability ratios (5) CO3

Total Sales-	Rs.25,60,000
Gross Profit-	Rs. 10,46,000
Net Profit (Before Tax)-	Rs. 8,16,000/-
Interest on debentures and Loan-	Rs. 30,000/-
Total Asset-	Rs. 16,78,000/-
Capital Employed-	Rs. 14,62,000/-

- 3e) Discuss the concept of start-up financing and the various stages of startup financing (6) CO3

OR

- 3f) Calculate the Stock turnover Ratio, Debtors turnover ratio, Creditors turnover ratio, fixed asset turnover ratio, working capital turnover ratio, and total asset turnover ratio from the following information- (6) CO3

Sales-	Rs. 25,60,000/-
Purchases	Rs. 10,00,000/-
Gross profit-	Rs. 9,46,000/-
Fixed Asset-	Rs. 15,00,000/-
Current Asset-	Rs. 4,88,000/-
Current Liabilities-	Rs. 3,16,000/-
<b>Other information:</b>	

	Opening	Closing
Debtors	75,000	1,50,000
Creditors	1,80,000	1,40,000
Stock	60,000	85,000

#### Question No. 4 Attempt following Question

- 4a) What is the stock market? Discuss the functions of the primary market and secondary market. (5) CO4

OR

- 4b) Discuss the concept venture capital and modes of venture capital (5) CO4

- 4c) Discuss various long-term sources of finance. (5) CO4

OR

- 4d) Discuss the concept of wealth maximization and profit maximization (5) CO4

4e) What is a mutual fund? Discuss the various types of mutual funds.

(6) CO4

OR

4f) Calculate the net profit from the following details of M/s Sandesh

(6) CO4

Particulars	Debit Amount	Credit Amount
Establishment Expenses	22,500	0
Insurance	1,500	0
Commission received	0	6,750
Postage	2,325	0
Insurance	7,500	0
Interest on loans	22500	0
Office rent	18000	0
Interest Received	0	22800
Rent received	0	33000
Other Income	0	11,775

Gross profit earned during the year by M/s Sandesh was Rs. 80000/

Question No. 5 Attempt following Question

5a) Discuss the various factors deciding working capital.

(5) CO5

OR

5b) From the following information calculate the gross working capital and net working capital.

(5) CO5

Liabilities	Amt (Rs)	Assets	Amt (Rs)
Equity capital @10 Each	1800	<b>Fixed Asset</b>	
Reserve & Surplus	1086	Plant	2250
10% Preference Share Capital	720	Land	2160
10%, 10 yrs redeemable Deb	1380	<b>Current Assets</b>	
		Stock	498
<b>Current Liabilities</b>		Debtors	240
Creditors	450	Bills Receivable	180
Bills Payable	126	Cash & Bank	567
Outstanding Expenses	72	Prepaid Expenses	78
<b>Total</b>	<b>5634</b>	<b>Total</b>	<b>5973</b>

5c) Discuss the concept of gross working capital and net working with examples.

(5) CO5

OR

5d) X Ltd. has given you the following information for FY 2023-24 and 2022-23. Calculate the change in working capital and working capital ratio

(5) CO5

Balance Sheet

As on 31st March 2024

Liabilities	22-23	23-24	Assets	22-23	23-24
Equity capital @10 Each	1875	2344	<b>Fixed Asset</b>		
Reserve & Surplus	1131	1009	Plant	2344	2344
10% Preference Share Capital	750	619	Land	2313	2250
10%, 10 yrs redeemable Deb	1438	1581	<b>Current Assets</b>		
			Stock	469	519
<b>Current Liabilities</b>			Debtors	219	250
Creditors	469	425	Bills Receivable	94	188
Bills Payable	131	150	Cash & Bank	355	590
Outstanding Expenses	75	94	Prepaid Expenses	75	81
<b>Total</b>	<b>5869</b>	<b>6222</b>	<b>Total</b>	<b>5869</b>	<b>6222</b>

During the year 2022-23, the turnover of X Ltd was Rs. 4,900, and in FY 2023-24 Rs. 5,800

5e) What are the types of working capital based on their nature?

(6) CO5

OR

5f) PQR Ltd provides you the following cost structure.

(6) CO5

Particulars (Rs)	Amount
Raw Material	125
Direct Labour	90
Overheads	38
<b>Total Cost</b>	<b>253</b>
Profit	47
<b>Selling Price</b>	<b>300</b>

The following additional information is available:

- (a) Average raw materials in stock: One month.
- (b) Average finished goods in stock: One month.
- (c) Credit allowed by suppliers: One month
- (e) Credit allowed to debtors: Two months.
- (f) Time lag in payment of wages: Half a month.
- (g) Overheads: One month
- (h) One-fourth of sales are on cash basis.
- (i) Cash balance is expected to be Rs. 1,80,000

You are required to prepare a statement showing the working capital needed to finance a level of activity of 50,000 units of annual output. The production is carried throughout the year on even basis and wages and overheads accrue uniformly. Debtors are to taken at cost.

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