



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) **Who are the users of the accounts?** (6) CO1

Question No. 2 Attempt following Question

- 2a) **From the following details of M/s Sujit Dayal, calculate** (6) CO2

- 1) Value of Fixed Asset,
- 2) Value of Current Assets,
- 3) Value of Current Liabilities

Particulars	Debit Amount	Credit Amount
Capital		80,000
Buildings	12,000	
Drawings	14,400	
Furniture	6,000	
Motor Van	20,000	
Net profit		12,000
Sundry debtors	22,480	
Bills Receivables	9,120	
Bank balance	16,000	
Bank Loan		4000
Sundry creditors		4,000
Total	1,00,000	1,00,000

Question No. 3 Attempt following Question

- 3a) Discuss the concept of financial analysis and the objectives of financial analysis (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. 7,80,000/-
Total Current Liabilities-	Rs. 4,50,000/-
Closing Stock-	Rs. 2,10,000/-
Equity/shareholders fund	Rs. 12,50,000/-
Debt	Rs. 4,50,000/-
Total Assets	Rs. 18,10,000/-

- 3c) What are the objectives of ratio analysis? (5) CO3

OR

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

Total Sales-	Rs.35,60,000
Gross Profit-	Rs. 20,46,000
Net Profit (Before Tax)-	Rs. 18,16,000/-
Interest on debentures and Loan-	Rs. 1,50,000/-
Total Asset-	Rs. 26,78,000/-
Capital Employed-	Rs. 24,62,000/-

- 3e) Discuss the scope & function of financial management. (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. 13,60,000/-
Purchases	Rs. 5,00,000/-
Gross profit-	Rs. 9,46,000/-
Fixed Asset-	Rs. 9,50,000/-
Current Asset-	Rs. 3,88,000/-
Current Liabilities-	Rs. 2,26,000/-

Other information:

	Opening	Closing
Debtors	85,000	1,49,000
Creditors	1,70,000	1,36,000
Stock	50,000	75,000

All sales are on a credit basis.

Question No. 4 Attempt following Question

- 4a) Discuss the concept of portfolio management and the advantages of portfolio management. (5) CO4

OR

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

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

OR

4d) Discuss the various modes of venture capital. (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 Chitra (6) CO4

Particulars	Debit Amount	Credit Amount
Establishment Expenses	50,625	0
Insurance	3,375	0
Commission received	0	15,188
Postage	5,231	0
Insurance	16,875	0
Interest on loans	50625	0
Office rent	40500	0
Interest Received	0	51300
Rent received	0	74250
Other Income	0	26,494

Gross profit earned during the year by M/s Chitra 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	2100	Fixed Asset	
Reserve & Surplus	1267	Plant	2625
10% Preference Share Capital	840	Land	2590
10%, 10 yrs redeemable Deb	1610	Current Assets	
		Stock	525
Current Liabilities		Debtors	245
Creditors	525	Bills Receivable	105
Bills Payable	147	Cash & Bank	399
Outstanding Expenses	84	Prepaid Expenses	84
Total	6573	Total	6573

5c) What is working capital? Discuss the concept of working capital. (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. During the year 2022-23, the turnover of X Ltd was Rs. 5,000 and in FY 2023-24 Rs. 5,800 (5) CO5

Balance Sheet
As on 31st March 2024

Liabilities	22-23	23-24	Assets	22-23	23-24
Equity capital @10 Each	1275	1594	Fixed Asset		
Reserve & Surplus	769	686	Plant	1594	1594
10% Preference Share Capital	510	421	Land	1573	1530
10%, 10 yrs redeemable Deb	978	1075	Current Assets		
			Stock	319	353
Current Liabilities			Debtors	149	170
Creditors	319	289	Bills Receivable	64	128
Bills Payable	89	102	Cash & Bank	241	401
Outstanding Expenses	51	64	Prepaid Expenses	51	55
Total	3991	4231	Total	3991	4231

5e) What is the working capital Cycle?

(6) CO5

OR

5f) JSL Ltd provides you the following cost structure

(6) CO5

Particulars	Amount (Rs)
Raw Material	115
Direct Labour	80
Overheads	37
Total Cost	232
Profit	58
Selling Price	290

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. 1,00,000

You are required to prepare a statement showing the working capital needed to finance a level of activity of 30,000 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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