



CBCS SCHEME

15ME743

Seventh Semester B.E. Degree Examination, June/July 2019 Financial Management

Time: 3 hrs.

Max. Marks: 80

Note: Answer any FIVE full questions, choosing ONE full question from each module.

Module-1

- 1 a. Define Financial Management. Explain different systems of Book keeping. (08 Marks)
b. Following are the items of the profit and loss account for ABC limited for the year ended on 31st March 2004. Arrange them systematically and find :
(i) Profit before taxation and
(ii) Profit after taxation.

ABC Limited
Profit and Loss Account
For the year ended 31st March 2004.

	Rs. (Lakh)
Operating and administrative expenses	10,440.60
Depreciation	1,382.80
Provision for income tax	210.00
Interest	2595.30
Cost of sales and services	54,773.90
Sales and service	69,552.90
Provision for wealth tax	3.50
Other income	517.60
Excess Provision of tax in previous years	143.00
Proposed dividend	643.80

(08 Marks)

OR

- 2 a. Explain the different types of organization with features. (08 Marks)
b. What are direct and Indirect taxes? Explain central sales tax and value Added tax (VAT). (08 Marks)

Module-2

- 3 a. Define working capital management and explain the factors influencing the working capital management. (08 Marks)
b. Define operating cycle and cash cycle. With the help of following information for XYZ limited find the operating cycle and cash cycle.

	Profit and Loss-Account Data	Balance Sheet Data		
		Beginning of 20 × 0	End of 20 × 0	
Sales	800	Inventory	96	102
Cost of goods	720	Trade Receivable	86	90
		Trade payable	56	60

(08 Marks)

OR

- 4 a. What are Primary and Secondary markets? List various financial instruments and explain any two. (08 Marks)
b. Define Debenture and explain Salient features of debentures. (08 Marks)

Module-3

- 5 a. What is strategic investment and lending Investment? List factors affecting the investment decisions. (08 Marks)
- b. Define Disinvestment. Explain objectives and benefits of disinvestments. (08 Marks)

OR

- 6 a. Write short notes on Current Asset Management and Wealth Management. (08 Marks)
- b. What is Project Management? Explain benefits of Project Management Approach. (08 Marks)

Module-4

- 7 a. Define return. Explain the components of total return. (08 Marks)
- b. The possible returns from two securities and their probabilities are as follows :

Security	Possible Return (%)	-20	-10	10	15	20	25	30
'x'	Probability	0.05	0.10	0.20	0.25	0.20	0.15	0.05
Security	Possible Return (%)	-20	-10	-5	5	10	18	20
'y'	Probability	0.05	0.05	0.10	0.10	0.15	0.25	0.25

Estimate the expected return from the securities which of the two securities has Lesser risk. (08 Marks)

OR

- 8 a. Define and explain liquidity ratios. (08 Marks)
- b. Determine the current Assets of a firm with the following data :
- Stock turnover ratio = 5 times
 - Stock at end = 5000 more than stock in beginning
 - Sale = 200000
 - Gross Profit ratio = 20%
 - Current liabilities = Rs. 60,000
 - Quick ratio = 0.75%

(08 Marks)

Module-5

- 9 a. Explain job costing, Process costing and standard costing. (08 Marks)
- b. Define variance Analysis and list different types of variance. (08 Marks)

OR

- 10 a. Define Budget. Give brief classification of Budgets and explain them. (08 Marks)
- b. What is budgetary control? List objectives and essentials of budgeting control. (08 Marks)

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