

CBCS SCHEME

15ME743



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Seventh Semester B.E. Degree Examination, Feb./Mar. 2022

Financial Management

Time: 3 hrs.

Max. Marks:80

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

Module-1

- Define Financial Management. Explain different systems of Book keeping. (08 Marks)
 - 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 :
 - Profit before taxation and
 - 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	2,595.30
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

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

Module-2

- Define working capital management and explain the factors influencing the working capital management. (08 Marks)
 - From the following data compute the duration of the operating cycle for each of the two years and comment on increase/decrease:

Particulars	Years 1 (Rs)	Year 2 (Rs)
Stocks		
Raw Material	20000	27000
Work in progress	14000	18000
Finished goods	21000	24000
Purchase of Raw material	96000	135000
Cost of goods sold	140000	180000
Sales	160000	200000
Debtors	32000	50000
Creditors	16000	18000

Assume 360 days/year for operating cycle.

(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. Explain the process of capital budgeting in detail. (10 Marks)
b. Discuss briefly the factors which affects investments decisions. (06 Marks)

OR

- 6 Write a note on:
a. Current Asset Management
b. Wealth Management. (16 Marks)

Module-4

- 7 a. Define Risk. Discuss the methods of measuring risk. (08 Marks)
b. Explain Financial theories. (08 Marks)

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OR

- 8 What is the importance of Financial ratio's? List various financial ratios with required formulae. (16 Marks)

Module-5

- 9 a. Define Budget. Explain preparation of production budget. (08 Marks)
b. Mention the advantages and limitations of budgeting. (08 Marks)

OR

- 10 a. What is Costing? Explain various elements of cost. (08 Marks)
b. Write a note on :
i) Standard costing
ii) Job costing. (08 Marks)
