

TILAK MAHARASHTRA VIDYAPEETH, PUNE

MASTER OF COMMERCE (M.COM.)

EXAMINATION : JUNE - 2022

FIRST SEMESTER

Sub: Financial Management (MCA-112)

Date: 9/6/2022

Total Marks :60

Time: 2.00 pm to 4.30 pm

Instructions:

- 1) All questions are compulsory.
 - 2) Figures to the right indicate full marks.
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Q.1 Answer the following questions. (Attempt any two)

(32)

1. Explain the 'Types of factoring'.

2. The existing sales of XYZ Ltd. are Rs. 2 crore Company is expecting to increase sales by liberalize policy. Company is expecting increase in sales by Rs. 24 lakh.
New customers will by 67% (fair)
33% (limited)
Average collection period 45 days.
Bad debt. losses 10% for new customers.
Contribution to sales is 20% cost offend 15%

3. A firm is 500 units of product whose selling price is Rs. 10 per unit. Variable cost is Rs. 6 per unit. Calculate the operating leverage for each of the following situation.
a) When fixed cost is Rs. 500
b) When fixed cost is Rs. 1000
c) When fixed cost is Rs. 1500

4. Prepare a cash budget from the following data for 3 months ending 31st Mar. 2021

Months	Sales	Purchase	Wages	Other expenses
Nov.	1,60,000	90,000	20000	26000
Dec.	2,10,000	1,10,000	30000	42000
Jan.	2,30,000	1,00,000	60000	35000
Feb.	2,50,000	1,60,000	75000	50000
Mar.	2,40,000	1,30,000	59000	34000

Adjustments :

- 1) Tax due in the month of Mar Rs. 35000
- 2) Interest to be receivable on investment Rs. 5000 monthly
- 3) Cash on hand on 1st Jan Rs. 7000.
- 4) Dividend of Rs. 15000 to be paid during March.
- 5) Lag in payment of purchase 2 months

- 6) 30% of sales received in the month of sales discount allowed 5% Balance is payable equally in the following two months.
- 7) 20% wages are paid in next month.
80% wages are paid in same month
- Other expenses are paid in the following month.

Q.2 Answer the following. (Attempt any one) (08)

1. Discuss Internal factors affecting on capital structure.
2. Calculate average collection period at the end of each quarter.

Month	Sales	Receivable	Month	Sales	Receivable
Jan.	200	460	July	200	340
Feb.	225	360	Aug.	200	360
Mar.	230	315	Sep.	220	360
Apr.	150	310	Oct.	230	390
May.	150	300	Nov.	245	500
June	180	320	Dec.	250	520

3. Explain Cost of maintaining Receivables .

Q.3 Write short notes. (Attempt any two) (10)

1. Cash Discount
2. Cost of capital
3. Net operating income approach
4. ROI

Q.4 Select the Correct Alternatives (Attempt Any Ten) (10)

1. Following is the measure adopted by credit manager
 - a. aging schedule
 - b. NI approach
 - c. MM approach
 - d. ROI approach
2. Cash discount IS normally given to those customer _____.
 - a. Who pay after certain period
 - b. who agree to pay after 3 months
 - c. who pay on the spot
 - d. who agree to pay after 2 months
3. EBT stands for
 - a. Earn Before Tax
 - b. Earning Base Tax
 - c. Earning Best Tax
 - d. Earning Before Tax
4. Combine leverage is
 - a. operating leverage
 - b. Financial
 - c. operating leverage x financial leverage
 - d. operating leverage ÷ Financial leverage

5. _____ is the major objective of financial manager.
- a. Diversification
b. Wealth maximization
c. profit maximization
d. acquisition
6. Long term plans are made for
- a. Management of senior level
b. Management of Junior level
c. Management of middle level
d. Management of supervisory level
7. ROI stands for
- a. Related on Investment
b. Return on Interest
c. Related on Interest
d. Return on Investment
8. External factors for determining capital structure does not include :
- a. Control
b. Market condition
c. Cost of Capital
d. Investors preference
9. NI stands for
- a. Net Income
b. Net Investment
c. Net income approach
d. Net investment aspect
10. Overall cost of capital (K_0) = _____
- a. $EBIT/V$
b. EBT/V
c. EBI/V
d. E/V
11. Following is the examples of financing of current asset_____.
- a. Trade credit
b. preference shares
c. Equity shares
d. debenture
12. Under_____ agreement the customer is permitted to overdraw upto pre fixed limit.
- a. short term loan
b. term loan
c. cash credit
d. overdraft
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