FD-989

BBA 4th Semester
Examination, May-June 2022

Financial Management

(119)

Time : Three Hours] [*Maximum Marks* : 90

[*Minimum Pass Marks* : 32

Note : Answer **all** questions. All questions carry equal marks.

Unit-I

1. Define Financial Management. Explain its characteristics and importance.

OR

What is Financial Planning ? What are various factors that a financial plan must consider ?

Unit-II

2. What is analysis of Financial Statements ? Discuss the procedure of analysis and interpretation of financial statement.

OR

From the following particulars, prepare Cash Flow Statement for X :

Liabilities	1st Jan. (₹)	31st Dec. (₹)	Assets	1st Jan. (₹)	31st Dec. (₹)
Bills Payable	35,000	40,000	Cash	10,000	5,000
Loan from Mrs. *M*	—	25,000	Debtors	35,000	40,000
Bank Loan	40,000	30,000	Stock	35,000	30,000
Capital	1,55,000	1,55,000	Land	40,000	50,000
			Building	40,000	50,000
			Machine	70,000	75,000
	2,30,000	2,50,000		2,30,000	2,50,000

Additional Information :

During the year X brought an additional capital of ₹ 15,000 and the drawing during the year was ₹ 20,000. Provision for depreciation on Machine had an opening balance of ₹ 30,000 and closing balance of ₹ 45,000. No depreciation need to be provided for other assets.

Unit-III

3. What is Ratio Analysis ? Explain the nature and use of Ratio Analysis.

OR

Calculate Current Assets of a company from the following information :

(*a*) Stock Turnover : 4 times

(*b*) Stock at the end is ₹ 20,000 more than stock in beginning

(*c*) Sales ₹ 3,00,000 (gross profit ratio : 20% of sales)

(*d*) Current liabilities ₹ 40,000

(*e*) Quick Ratio 0.75

Unit-IV

4. What is meant by Working Capital Forecast ? Briefly explain the techniques used in making such forecasts.

OR

What do you mean by Receivables Management ? What is the importance of average receivable period in terms of management of receiving ?

Unit-V

5. What is Capital Budgeting ? Briefly state its methods.

OR

Rajesh Ltd. is considering to purchase a machine. Two machines *A* and *B* are available at the cost of ₹ 1,20,000 each. Earnings after tax but before depreciation are likely to be as under :

Year	Machine *A* (₹)	Machine *B* (₹)
I	50,000	20,000
II	40,000	30,000
III	30,000	50,000
IV	20,000	40,000
V	20,000	40,000

Evaluate the two alternatives by using :

(*a*) Pay-back period method

(*b*) Post-pay-back profitability method