Roll No. _____

END SEMESTER EXAMINATION
SEMESTER- V

COURSE CODE :TTM 406 **DURATION : 3 (THREE)HRS**
COURSE TITLE :FINANCIAL MANAGEMENT **MAXIMUM MARKS : 75**
SESSION : JULY-DEC'2021 **PASS MARKS : 35 %**

NOTE:
1. *All the questions are compulsory*
2. *Attempt any 5 (five) questions.*
3. *Mark for each question is shown against it.*
4. *Assume suitable logical data wherever necessary.*

1. **(a)** Define the terms mortgage, lease, inventory, liabilities, solvency, bankruptcy, debt, dividend, and debenture. **(5)**
(b) Explain the classification of sources of funds. **(10)**

2. **(a)** What do you mean by Financial statement? **(2)**
(b) Discuss the factors affecting working capital. **(6)**
(c) Explain the operating cycle of working capital management with Diagram. **(7)**

3. **(a)** What do you mean by financial management? Explain the functions and importance of financial management. **(15)**

4. **(a)** Explain the main objective of inventory management. **(5)**
(b) What is Fund flow statement? Why do we need to prepare fund flow statement? **(5)**
(c) What are the roles of Finance Manager? (5)

5. **(a)** Define ratio analysis. **(3)**
(b) From the following information related to Monte fiore Pvt. Ltd. Calculate **(6)**
(1) Current ratio (2) Quick ratio

Balance sheet as on 31st march 2008

Liabilities	Amt. Rs	Assets	Amt. Rs
Share capital	60,000	Buildings	25,000
Debentures	20,000	Furniture	17,000
Creditors	12000	Machinery	30,000
Bills payable	4000	Stock	8000
outstanding	4000	Debtors	4000
		Cash & bank balances	10,000
		Bills receivable	6000
Total	1,00,000		1,00,000

(c) Prepare comparative income statement from given information with short interpretation. **(6)**

particulars	2016	2017	particulars	2016	2017
To cost of goods sold	6000	7500	By net sales	8000	10,000
-Op. expenses: - Adm. Exp.	200	200			
-Selling exp.	300	400			
Net profit	1500	1900			
total	8000	10,000		8000	10,000

6. **(a)** Distinguished between Profit maximization and wealth maximization. **(5)**
(b) Define working capital. Explain the sources of financing working capital requirements. **(10)**

7. **(a)** What is Gross working capital and Net working capital? **(2+2)**
(b) Define balance sheet, income statement and statement of retain earning. **(5)**
(c) Write the advantages of cash management. **(6)**

8. **(a)** Explain the functions cash management. **(5)**
(b) From the balance sheet of ABC Ltd. Prepare common size statement. **(10)**

Particulars	2017	2018
• Equity & liabilities		
Shareholders' funds.		
Share capital	5,00,000	7,50,000
Reserve & surplus	3,00,000	5,00,000
• Current liabilities		
Short term borrowing	----------	1,00,000
Trade payables	2,00,0000	1,50.000
• Assets		
-Non – current assets		
Fixed assets	5,00,000	9,00,000
Non- current investment	1,00,000	3,00,000
-Current assets		
Inventories	1,00,000	1,00,000
Trade receivables	2,00,000	----------
Cash & cash equivalents	1,00,000	2,00,000
Total	15,00,000	10,00,000

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