

Roll No. \_\_\_\_\_

University of Pune  
Department of Management Sciences (PUMBA)  
Executive MBA 2nd Year  
Internal Exam September 2013

Time : 1hrs

Marks : 20

**302- Advanced Financial Management**  
***All three questions are compulsory.***

- Q.1 Calculate the degree of operating leverage , degree of financial leverage and the degree of combined leverage for the following firms and interpret the results. 6

Particulars	P	Q	R
Out put ( units )	600000	150000	1000000
Fixed Cost ( Rs. )	700000	1400000	150000
Unit Variable Cost ( Rs. )	1	7.5	0.1
Interest Exp. ( Rs. )	25000	40000	Nil
Unit selling price (Rs.)	4	37.5	0.4

- Q.2 6

Particulars	Material		
	A	B	C
Opening Stock ( Qty )	2500	1500	6000
Purchases ( Qty )	17500	5000	45000
Closing Stock ( Qty )	2000	1000	7900

From the above given data find the following :

- 1) Material Consumed
  - 2) Inventory Turnover Ratio
  - 3) Inventory Turnover Ratio ( in no. of days )
  - 4) Determine the fastest and slowest moving material
- Q.3 P. Ltd uses three types of materials A, B, C for the production of ' X '. 8  
The relevant monthly data are as given below :

Particulars	A	B	C
Normal Usage ( in units )	200	150	180
Minimum Usage ( in units )	100	100	90
Maximum Usage ( in units )	300	250	270
Re-order Quantity ( in units )	750	900	720
Re-order Period ( in months )	2 to 3	3 to 4	2 to 3

Calculate for each component

- a) reorder level
- b) minimum level