

UNIVERSITY OF PUNE, Department of Management Sciences,**Internal Examination - MBA – HRM –January, 2013, SUBJECT: 202 Financial Management****Time: 1.5 Hour****Total Marks: 40****Note:** Each Section carries 20 marks. Answer to different sections to be written on different answer sheets.**SECTION-I****Note:** Answer any two. Each question carries 10 marks.**Q1.** From the following information you are required to prepare Balance sheet:

Current Ratio	1.75
Liquid Ratio	1.25
Stock Turnover Ratio (Calculated on the basis on Closing Stock)	9 times
Gross profit Ratio	25 %
Debt Collection Period	1.5 Months
Reserves and Surplus to Capital	0.20
Cost of Goods Sold to Fixed Assets	1.20
Capital Gearing Ratio	0.60
Fixed Assets to net Worth	1.25
Sales for the Year	Rs. 12,00,000/-

Q2. Write note on any two:

1. Accounting for Depreciation 2. Tools for analyzing financial statements 3. Contents of Annual Report

Q3. From the following Information of PQR Ltd Prepare Funds Flow StatementBalance Sheets As on 31st march 2006 and as on 31st march 2007

Liabilities	31.3.2006	31.3.2007	Assets	31.3.2006	31.3.2007
Share Capital	135000	150000	Land & Building	75,000	70,000
General reserve	24,000	30,000	Plant & Machinery	65,000	62,000
Profit & Loss A/c	21,000	31,000	Investment	12,000	29,000
Income Tax Provision	20,000	28,000	Stock	28,000	36,000
Creditors	22,000	25,000	Bills Receivable	3,000	2,600
Bills Payable	12,500	3900	Debtors	35,000	39,000
Provision For doubtful Debts	500	700	Bank Balance	7,000	22,000
			Goodwill	10,000	8,000
Total	235,000	268,600	Total	235,000	268,600

Additional Information: 1. depreciation charged on plant Rs 7,000. 2. Income tax paid Rs 22,000 during the year 2006-07. 3. Interim dividend paid Rs 4,000 during the year 2006-07. 4. A piece of machinery was sold for Rs 10,000 during the year 2006-07, its cost was Rs 18,000. Depreciation of Rs 6,000 was provided on that. Prepare Statement showing changes in Working Capital, Adjusted P&L Account and Funds Flow Statement.

SECTION-II**Note:** Answer both. Each question carries 10 marks.**Q1.** Calculate the A) Payback Period, B) Net Present Value and C) Profitability Index from the following data. (The Cost of Capital is 10%) (10 Marks)

Years	C.F.(RS)
0	(100,000)
1.	20,000
2.	40,000
3.	50,000
4.	35,000
5.	30,000

Q2. Explain the following terms in two sentences. (Any five) (10 Marks)

1. Finance Function
2. Earning Per share
3. Goodwill
4. Amortization
5. Preliminary Expenses
6. Contingent Liabilities
7. Current Assets