

University of Pune
Department of Management Sciences
MBA-BT Semester II
Mid-Sem Exams Feb 2011

203- Basics of Finance

Time: 2hrs
Use of Calculator is permitted

Max. Marks: 40

Q1. Write Short note on any Two (10 M)

- a. Contingent Liability
- b. Finance function
- c. Financial Statements of Corporate organization.

Q2. Explain Financial System in detail. (10 M)

Q3. Following are the Balance Sheets as on 31st December. (10 M)

Liabilities	2009	2010	Assets	2009	2010
Share Capital	140000	148000	Cash	18000	16000
Debentures	24000	12000	Debtors	29800	35400
Sundry creditors	20720	23680	Stock	98400	85000
Provision for Bad Debts	1400	1600	Building	40000	55000
Profit and Loss A/c	20080	21120	Goodwill	20000	15000
Total	206200	206400	Total	206200	206400

Following additional Information is given:

1. Dividend Paid Rs7000.
2. Depreciation on building Rs2000.

Prepare 1. Statement Showing Working Capital

2. Funds Flow Statement.

Q4. Solve any one of the following

a. From the Following Cash A/c Summary Prepare a Cash Flow Statement as per the Provisions of AS 3.

Cash A/c

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Particulars	Amount	Particulars	Amount
To Balance b/d	50,000	By Payment to Creditors	75,000
To Issue of Equity Shares	300,000	By Purchase of Machinery	100,000
To Bank Loan	600,000	By Purchase of Building	200,000
To Sale of Furniture	200,000	By Salaries and wages	250,000
		By Manufacturing Expenses	20,000
		By Dividend	10,000
		By Interest	6,000
		By Balance C/d	489,000
	1,150,000		1,150,000

b. Following is the Balance Sheet of a limited company as on 31st March 2008

Liabilities	Rs	Asset	Rs
Share Capital	2,00,000	Land and Building	1,40,000
Reserves And Surplus	70,000	Plant and Machinery	3,50,000
12% Debentures	4,20,000	Stock in trade	2,00,000
Creditors	1,00,000	Debtors	1,00,000
Bills Payables	50,000	Bills Receivables	10,000
		Bank Balance	40,000
Total	8,40,000	Total	8,40,000

The Sales of the company were Rs 4,00,000. The Gross Profit was Rs 25,000 and Net Profit was Rs 20,000

Calculate:

1. Current Ratio
2. Debt Equity Ratio
3. Gross Profit Ratio
4. Net Profit Ratio

And Interpret the Results