

Bachelor of Commerce (B.Com.) Semester-V Examination

BUSINESS FINANCE—I

Foundation Elective Group—I

Time : Three Hours]

[Maximum Marks : 80

N.B. :— (1) **ALL** questions are compulsory.

(2) All questions carry equal marks.

1. (A) Define Business Finance. State the objectives of Financial Management. 8
- (B) Write the significance and scope of Business Finance. 8

OR

- (C) State the organisational structure of Financial Management. Explain functions of Financial Executive. 8
- (D) What are the different types of sources of Finance ? Explain long-term sources of Finance. 8
2. (A) What is Project ? What are the various stages of Project Financing ? 8
- (B) Explain the concept of leverages and write its types. 8

OR

(C) From the following particulars for the month, calculate :

- (i) Re-order level
- (ii) Minimum level
- (iii) Maximum level
- (iv) Average stock level

Normal usage per month 1150 unit

Maximum usage per month 1400 unit

Minimum usage per month 900 unit

Reorder quantity 3750 unit

Maximum reorder period 8 months

Minimum reorder period 4 months. 8

(D) The following information is available :

Units sold	Rs. 30,000
Units Sale Price	Rs. 10
Fixed Cost	Rs. 40,000
Variable Cost Per Unit	Rs. 6
10% Debt. Capital	Rs. 1,00,000
Tax Rate	50%

Calculate :

- (1) Operating Leverage
 - (2) Financial Leverage
 - (3) Combined Leverage
 - (4) Income Statement. 8
3. (A) Define the term Working Capital and explain kinds of Working Capital. 8
- (B) Explain the advantages and disadvantages of Working Capital. 8

OR

(C) Prepare an estimate of working capital requirements from the following information of a trading concern :

- (i) Projected Annual Sales Rs. 10,00,000.
- (ii) Percentages of Net Profit on Cost 20%.
- (iii) Average credit period allowed to customers 8 weeks.
- (iv) Average credit period allowed by suppliers 4 weeks.
- (v) Average stock holding in form of sales requirements 12 weeks.
- (vi) Minimum cash balance maintained 25,000.
- (vii) Allow 10% for contingency. 8

(D) From the following information prepare a statement showing the estimated working capital requirements :

Budgeted sales for the years Rs. 2,60,000

Analysis of cost of each unit	Rs.
Raw Materials	3
Labours	4
Overheads	2
Profit	1
Selling Price	<u>10</u>

It is estimated that :

- (a) Pending use Raw Materials are carried in stock for 3 weeks and Finished Goods for 2 weeks.
- (b) Factory processing will take 3 weeks.
- (c) Suppliers will give 5 weeks credit and customers will require 8 weeks credit.
- (d) Work in process be valued at 100% materials fed in the beginning and 50% labour and overheads for 3 weeks. 8

4. (A) What is Venture Capital Financing ? What are the methods of Venture Capital Financing ? 8

(B) Credit Sales of Rs. 5,00,000 for 2 months credit is discounted with Bank for Working Capital Financing. Bank charges 1% processing fees and 12% interest/discount on the amount financed which is 80% of the debtors. Calculate effective cost of the financing. 8

OR

(C) ABC Ltd. sells goods on a credit basis to its customers, presently company grants a credit period of 36 days and sales 20,000 units. The selling price per unit is Rs. 100 and variable cost per unit is Rs. 88. The average cost per unit is Rs. 92.

The company is considering granting of more liberal credit policy to its customer in that case the credit period will be 60 days and sales can be increased by 10%, the cost of capital of the company is 15%, advise the management of ABC Ltd. regarding selection of credit policy. 8

(D) From the following calculate :

- (a) Debtors Turnover Ratio
- (b) Debtors Velocity
- (c) Creditors Turnover Ratio
- (d) Creditors Velocity.

	Rs.
Total Sales	5,00,000
Cash Sales	1,00,000
Sales Return	50,000
Debtors	75,000
Bills Receivable	12,500
Total Purchases	3,24,000
Cash Purchases	74,000
Purchase Return	10,000
Creditors at End	48,000
Bills Payable	12,000

8

5. (A) Explain the pre-conditions for issue of sweat equity shares. 4
- (B) X Ltd. is committed to supply 24,000 bearings per annum to Y Ltd. on a steady basis. It is estimated that it costs 10 paise as inventory holding cost per bearing per month and that the set-up cost per run of bearing manufacture is Rs. 324.
- What would be the optimum run size for bearing manufacture ? 4
- (C) Mr. Kumar wishes to commence a new trading business and gives the following information :
- (i) The total estimated sales in a year will be Rs. 12,00,000.
- (ii) He requires cash of Rs. 2,000 to meet his expenses and 5% of sales to meet his variable expenses.
- (iii) Stock Rs. 2,40,000.
- (iv) Cost of goods sold Rs. 9,60,000 (creditors for a year).
- Calculate the required amount of working capital. 4
- (D) Receivables Rs. 1,00,000 for 30 days; Bank will Finance 75%; Processing Fees 1%; Interest 12%.
- Calculate effective costs. 4

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(मराठी माध्यम)

1. (अ) वित्तीय प्रबन्धन म्हणजे काय ? व्यावसायिक वित्त म्हणजे काय ? वित्त प्रबन्धकाची उद्देश्य लिहा. 8
 (ब) व्यावसायिक वित्ताचा अर्थ स्पष्ट करा. त्याची व्याप्ती आणि महत्व यावर चर्चा करा. 8
- किंवा
- (क) वित्तीय प्रबंधनाचे संघटनात्मक संरचना स्वरूप विशद करा आणि वित्तीय अधिकाऱ्याची कार्ये स्पष्ट करा. 8
 (ड) वित्तीय साधनांचे विविध प्रकार कोणते आहेत ? दीर्घकालीन वित्तीय साधने स्पष्ट करा. 8
2. (अ) प्रकल्प म्हणजे काय ? प्रकल्प वित्ताचे विविध टप्पे कोणते आहेत ? 8
 (ब) उत्तोलक ही संकल्पना स्पष्ट करा. उत्तोलक ही प्रकार कोणते आहेत ? 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 8
 (ड) इंग्रजी माध्यमानुसार. 8
3. (अ) 'कार्यशील पूँजी' या संज्ञेची व्याख्या द्या आणि कार्यशील पूँजीचे प्रकार स्पष्ट करा. 8
 (ब) कार्यशील पूँजीचे गुण व दोष स्पष्ट करा. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 8
 (ड) इंग्रजी माध्यमानुसार. 8
4. (अ) 'जोखिम वित्त पूँजी' म्हणजे काय ? जोखिम वित्त पूँजीचे Methods कोणते आहेत ? 8
 (ब) इंग्रजी माध्यमानुसार. 8
- किंवा
- (क) इंग्रजी माध्यमानुसार. 8
 (ड) इंग्रजी माध्यमानुसार. 8
5. (अ) प्रस्वेद समता अंशांच्या निर्गमन साठी पूर्व अटी (Pre-conditions) स्पष्ट करा. 4
 (ब) इंग्रजी माध्यमानुसार. 4
 (क) इंग्रजी माध्यमानुसार. 4
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(हिन्दी माध्यम)

1. (अ) व्यावसायिक वित्त को परिभाषित कीजिये। वित्तीय प्रबन्ध के उद्देश्य बताइये। 8

(ब) व्यावसायिक वित्त का अर्थ स्पष्ट कीजिये। उसकी व्याप्ति एवं महत्व लिखिये। 8

अथवा

(क) वित्तीय प्रबंधन का संगठनात्मक संरचना स्वरूप विशद कीजिये एवं वित्त अधिकारी के कार्य स्पष्ट कीजिये। 8

(ड) वित्त के विभिन्न स्रोत कौन-कौनसे हैं ? दीर्घकालीन वित्त के साधन (स्रोत) स्पष्ट कीजिये। 8

2. (अ) प्रकल्प का अर्थ बतलाइये। प्रकल्प वित्त के विभिन्न चरण कौनसे हैं ? 8

(ब) उत्तोलक यह संकल्पना स्पष्ट कीजिये। उसके प्रकार कौनसे हैं—लिखिये। 8

अथवा

(क) अंग्रेजी माध्यम के अनुसार। 8

(ड) अंग्रेजी माध्यम के अनुसार। 8

3. (अ) 'कार्यशील पूँजी' इस संज्ञा को परिभाषित कीजिये एवं कार्यशील पूँजी के प्रकार स्पष्ट कीजिये। 8

(ब) कार्यशील पूँजी के गुण एवं दोष लिखिये। 8

अथवा

(क) अंग्रेजी माध्यम के अनुसार। 8

(ड) अंग्रेजी माध्यम के अनुसार। 8

4. (अ) 'जोखिम पूँजी वित्त' से आप क्या समझते हैं ? जोखिम पूँजी वित्तीयन की पद्धतियां क्या हैं ? 8

(ब) अंग्रेजी माध्यम के अनुसार। 8

अथवा

(क) अंग्रेजी माध्यम के अनुसार। 8

(ड) अंग्रेजी माध्यम के अनुसार। 8

5. (अ) प्रस्वेद समता अंशों के निर्गमन हेतु पूर्व परिस्थितियां (Pre-conditions) स्पष्ट कीजिये। 4

(ब) अंग्रेजी माध्यम के अनुसार। 4

(क) अंग्रेजी माध्यम के अनुसार। 4

(ड) अंग्रेजी माध्यम के अनुसार। 4