

**Question Paper Set of**

**S.Y.B.F.M. – Sem-III**

**Regular Exam**

**University of Mumbai**

**October, 2022**





**PRAHLADRAI DALMIA LIONS COLLEGE**  
**OF COMMERCE & ECONOMICS**  
ISO 9001: 2015 Certified

PROGRAM: BFM	SEMESTER: III
CLASS: SYBFM	COURSE/ SUBJECT: Business Law
MARKS: 75	TIME: 2 HOUR & 30 MINUTES

- NOTE: 1. All questions are compulsory  
2. Figures to the right indicate marks  
3) Mention relevant case laws where necessary

Q.1 (A) Match the column: (Any 8)

(8)

Column A	Column B
1. Offer	a. maybe past, present or future
2. Hire Purchase	b. Buyer beware
3. Negotiable Instrument	c. Surety's distinct liability
4. Pledge	d. different from invitation to offer
5. Consideration	e. also called as implied contracts
6. Stoppage in transit	f. similar features to bill of exchange
7. Quasi Contracts	g. payment made in installments
8. Contract of Guarantee	h. goods are neither with the seller or buyer
9. Caveat Emptor	i. must be in writing
10. Cheque	j. bailment as a security

(B) True or false: (Any 7)

(7)

1. Consideration is necessary in a contract of agency.
2. Counter offer amounts to rejection of original offer.
3. A contract of Sale must be made in writing only.
4. A promissory note cannot be made payable to the maker.
5. The banker is justified in dishonoring the cheque when the customer countermands payment.
6. Condition as to wholesomeness is not an implied condition presumed under a contract of sale.
7. Misrepresentation means an error of judgement.
8. In a contract of Guarantee there are two kinds of liabilities.
9. Under a contract of Bailment there is permanent transfer of possession of goods from bailor to bailee.
10. When an instrument is payable on 15<sup>th</sup> August, the date of maturity is the next working day.

Q.2(A) Define Offer. Explain the various features of valid Offer.

(08)

(B) What constitutes Fraud according to Indian Contract Act?

(07)

OR

Q.2(X) Define Capacity. State the laws relating to an agreement entered by minor, unsound mind persons and disqualified persons in detail?

(15)

Q.3 (A) Distinguish between contract of Sale and Hire Purchase Agreement. (08)  
(B) Explain contract of Indemnity. (07)

OR

Q.3(X) What is a contract of Guarantee, explain with valid rules? (08)  
(Y) What are the implied conditions which are supposed to exist before entering a contract of sale? (07)

Q.4(A) What are the features of a cheque? When is a banker justified in dishonoring the cheque and when is banker bound to pay cheque? (15)

OR

Q.4(X) Define Negotiable Instruments. What are the essential elements of Negotiable Instrument? (08)

(Y) Distinguish between Promissory Note and Bill of Exchange? (07)

Q.5(A) Explain the concept of Noting and Protest? (08)  
(B) What are the rules of Acceptance? (07)

OR

Q.5. Short Notes: (Any 3)

(15)

1. Mistake
2. Maturity of Instrument
3. Bailment
4. Offer
5. E-Contracts





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EXTERNAL EXAM-OCTOBER 2022

PROGRAM: BFM	SEMESTER: III
CLASS: S.Y.B.F.M	COURSE SUBJECT: Portfolio Management
MARKS: 75	TIME: 2 Hours and 30 Minutes

- NOTE: 1. All questions are compulsory.  
2. Figures are right to indicate full marks.

**Q1) A) Multiple Choice Questions (Any 8)**

(8)

- 1) \_\_\_\_\_ is an activity, in which a person assumes high risks, often without regard for the safety of his invested principle, to achieve large capital gains.  
(planning / executing / speculation)
- 2) An investor attaches greater significance to \_\_\_\_\_ factors and attempt a greater evaluation of the prospects of the firm while making an investment decision. (Fundamental / Prominent / Satisfactory)
- 3) The asset selection decision is the stage where individual assets are picked within each asset class to make up the \_\_\_\_\_. (Wealth / Portfolio / Strategy)
- 4) Post office operates as a \_\_\_\_\_ institution. (Legal / Forensic / Financial)
- 5) The shares are also called as \_\_\_\_\_. (Liabilities / Lendings / Stocks)
- 6) Financial investment is an allocation of \_\_\_\_\_ resources to assets that are expected to yield some gain or return over the period of time. (monetary / feasible / efficient)
- 7) The Investment process always starts with the investor and understanding his or her \_\_\_\_\_ and preferences. (Luxuries / Needs / Ratings)
- 8) A Debenture is a document issued by a company as evidence of a \_\_\_\_\_. (Asset / Burden / Debt)
- 9) The PPF account is for the period of \_\_\_\_\_ but can be extended for more (5 years at a time) at the desire of the depositor. (15 years / 12 years / 10 years)
- 10) The main function of mutual fund is to mobilize the savings of general public and invest them in \_\_\_\_\_ securities. (Primary Market / Commodity Market / Stock Market)

**Q1) B) Match the following**

(Any 7)

(7)

Column A	Column B
Regulatory body	Dividend
Saving	30 stocks
Shares	Coupon Rates
Bonds	Public Provident Fund
Credit Rating	50 stocks
BSE	Assessing Credit worthiness
NSE	Income which is not spent
CASA	Kisan Vikas Patra
Post Office Savings	Current Account Savings Account
PPF	SEBI

- Q2) Answer the following questions in brief**  
 A) Describe SHARES as an Investment category in brief.  
 B) Describe the INVESTMENT PROCESS in detail.

(15)

(8)

(7)

- OR**  
 C) Dr. Prajapati purchased 800 shares of Tata Motors @ Rs. 122 each on 15<sup>th</sup> June, 2008. He paid brokerage of 1200/- The Company paid the following dividends.

(15)

June 2008	1600/-
June 2009	2000/-
June 2010	2400/-

He sold all his holdings on 15<sup>th</sup> October 2010 for 99,000 (net). What is the holding period return? What is the annualised return?

(15)

- Q3) Answer the following questions in brief**

(8)

- A) Describe Public Provident Fund in details & explain its features.  
 B) Explain Active Portfolio Management Strategy with its Advantages and Dis-advantages

**OR**

- C) The rate of return on stock P and stock Q under different state of economy are given below:

(15)

Economic Situation	Probability	Stock P %	Stock Q %
Growth	0.5	15	10
Stagnation	0.3	20	20
Recession	0.2	25	35

Calculate the average return and standard deviation of return on stock P and stock Q. Which stock is a better investment option? and why?

(15)

- Q4) Answer the following questions in brief**

- A) Explain Mutual Funds & write in brief about Equity MF, Debt MF & Balance funds.  
 B) Write in brief about Top-Down Portfolio Management Strategy.

(8)  
(7)

**OR**

- C) Compare the following portfolios on performance using Sharpe, Treynor and Jensen's measures and rank them.

(15)

Portfolio	Avg. Returns	Std. Deviation	Beta
1	15	0.20	1.25
2	12	0.35	0.75
3	10	0.15	1.20
Market Index	12	0.25	1.00

Risk free return is 6%.

- Q5) A. Describe Risk Preferences of Investors.**  
 B. Explain any four types of Risk

(7)  
(8)

**OR**

(15)

- Q5) C Write short notes (ANY 3)**

- 1) Difference between Investor and Speculator
- 2) Bonds
- 3) Bank Deposits – Savings Account and Fixed Deposits
- 4) Derivatives
- 5) Strategic Asset Allocation

$$(P_a - \bar{P}_a) (P_b - \bar{P}_a)^2 (P_b - \bar{P}_b) (P_b - \bar{P}_b)^2 \cdot P_i \cdot (P_a - \bar{P}_a)^2 \cdot P_a - \bar{P}_b$$

$$P_i (P_b - \bar{P}_b)^2$$

$$P_a - \bar{P}_b$$

$$(P_a - \bar{P}_b) \cdot (P_a - \bar{P}_b)^2 \cdot (P_b - \bar{P}_b)$$





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**EXTERNAL EXAM OCTOBER, 2022**

<b>PROGRAM: BFM</b>	<b>SEMESTER:III</b>
<b>CLASS:S.Y.BFM</b>	<b>COURSE/ SUBJECT: Equity Market</b>
<b>MARKS: 75</b>	<b>TIME: 2Hours and 30 Minutes.</b>

**NOTE:1. All questions are compulsory.**

**2. Figures are right to indicate full marks.**

**Q 1. A match the following (any 8)**

**(8 MARKS)**

1. ROE	A. Written on share certificate
2. Market capitalization	B. Long term funds
3. Rolling statement	C. NSE indices
4. Merchant banker	D. Upper and lower price band
5. Capital market	E. Equity shareholders
6. Nifty	F. T + 2
7. Red herring prospectus	G. Process to fixed price of shares
8. Book building issue	H. Lead managers
9. Voting rights	I. Stock market indicator
10. Face value	J. Return on equity

**B) Multiple choice questions.( Any 7)**

**(7 MARKS)**

1. In INDIA -----maintain over 80 equity indices.( BSE, NSCCL, CCIL, IISL)
2. -----is a dollar denominated receipt.(ADR, GDR, IDR, FCCB)
3. -----are bonds that are issued in foreign currency and can be convert into equity.( FCCB, IDR, GDR, corporate bond)
4. The settlement cycle is now T+ ----- (1, 2, 3, 5)
5. -----introduced the screen based trading and settlements system. (OTC, NSE, NEAT, BSE)
6. -----is popular instrument used for meeting working capital requirements of companies. (Commercial paper, treasury bills, bills of exchange, certificate of deposit)
7. The BSE Sensex consist of a basket of-----stock. (20, 50, 30, 100)
8. -----is the purchase of exporter's receivable at a discounted price by paying cash.( Factoring, merchant banker, forfeiting, underwriters)
9. -----market involves financial instruments with high liquidity and short term maturity. (Money, primary, capital, secondary)
- 10.The IPO of bank process is ultimately registered by----- ( RBI, SEBI, SME, AMPI)

**Q.2 A}** explain in brief growth of corporate sector parallel to the equity shares in india. 8 M  
**B}** in the primary market the security is purchased directly from the issuer- support the statement with proper explanation. 7M

OR

**C}** Explain with the help of chart different types of financial instruments traded in the market. 8M

**D}** Differentiate between owned and borrowed capital with the basis of distinction and suitable examples. 7M

**Q.3 A)** Do non-voting shares receive dividends? Explain the concept also of non-voting shares while supporting the statement. 8 M

**B)** Explanation with diagram of IPO process. 7M

OR

**C)** What are the functions of merchant banker? 8 M

**D)** Explain right issue of shares? 7M

**Q.4 A)** Enlist in detail stock market indices. 8 M

**B)** Need to strengthen secondary markets in INDIA. 7M

OR

**C)** Differentiate between BSE, NSE AND OTCEI. 8 M

**D)** How to attract more investors in INDIA especially in equity market. 7M

**Q.5) Short notes (any 3)**

(15M)

1. Organization and working of stock exchange

2. Members of London stock exchange

3. Dalal Street

4. Difference between SME and regular exchanges

5. Financial Intermediaries

OR

**A}** Characteristics of BULL and BEAR markets. 8 M

**B}** Major 7 linkages between primary and secondary market. 7M





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<b>PROGRAM: BFM</b>	<b>SEMESTER: III</b>
<b>CLASS: SYBFM</b>	<b>COURSE/ SUBJECT: Treasury Management</b>
<b>MARKS: 75</b>	<b>TIME: 2 HOUR &amp; 30 MINUTES</b>

NOTE: 1. All questions are compulsory  
2. Figures to the right indicate marks

**Q1)A) State True or False (Any 8)**

(8)

- 1) Main function of treasury management is to maintain liquidity of business
- 2) Banking Regulation Act was passed in the year 1949
- 3) Capital adequacy ratio is Tier I+Tier II + Tier III capital
- 4) Foreign Exchange risk does not include exchange risk
- 5) Operating leverage compare sales with the total cost of production.
- 6) Since 2001, clearing and settlement functions in the foreign exchange market are largely carried out by the FEDAI
- 7) The RBI raises the interest rates when inflation goes uncontrolled
- 8) Volatility means plain
- 9) Arbitrage is primarily done in two different market to earn profit.
- 10) If I take along position in future market then I have brought a future contract

**Q1)B) Match the following (Any 7)**

(7)

<b>Column A</b>	<b>Column B</b>
Bank	Good faith deposits
CRR	Accepting deposit & granting loan
Underwriting	Axis
Public sector bank	Converting assets into cash
Liquidity	Cash reserve ratio
Margins	Taking guarantee of unsold share
BSE	CRISIL
Forward	BOLT
Private sector bank	Traded on OTC market
Credit rating agency	Indian bank



**Q2) Answer the following questions in brief**

(15)

A) Explain the role of treasury manager

(8)

B) Explain the role of IT in treasury management

(7)

OR

C) Distinguish between financial management VS Treasury management

(8)

D) Explain the role of back office in treasury department

(7)

**Q3) Answer the following questions in brief**

(15)

A) Explain in detail about Money market

(8)

B) Explain the features of national or domestic treasury product

(7)

OR

C) Explain Investment in global securities requires proper decision making

(8)

D) Define corporate debt restructuring and its dis-advantages

(7)

**Q4) Answer the following questions in brief**

(15)

A) ABC Bank Ltd is dealing in foreign currency and it has quoted an exchange rate of

US \$1 =Rs67/Rs69 Mr Bholu wants to calculate the spread rate and rate of spread

(8)

B) What are the factors affecting exchange rate

(7)

OR

C) What are the types of risk in forex market

(8)

D) Explain in detail about stop loss day light and over night in reference to foreign market

(7)

Q5A) What are the techniques used by RBI to control inflation

(8)

B) Define interest rate and how does it affect before making investment decision

(7)

OR

**Q5) Write short notes (ANY 3)**

(15)

1) RBI

2) Commercial paper

3) What avenues you will prefer for making your investment

4) Basel Norm III

5) Inflation



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EXTERNAL EXAM OCTOBER, 2022

PROGRAM: BFM	SEMESTER: III
CLASS: S.Y. BFM	COURSE/ SUBJECT: Computer Skills-II
MARKS: 75	TIME: 2 Hours and 30 Minutes.

NOTE: 1. All questions are compulsory.

2. Figures are right to indicate full marks.

Q:1 A. Multiple Choice Question. (Any 8)

(08)

1. An \_\_\_\_\_ is person, place, thing or event that we want to store information about.  
(a) Table (b) Entity (c) Table (d) Database
2. ERP stands for \_\_\_\_\_ resource planning.  
(a) Event (b) Enterprise (c) Environment (d) Evaluate
3. \_\_\_\_\_ is software program that enables the creation and management of database.  
(a) Database Management System (b) Record (c) Table (d) Field
4. SCM involves \_\_\_\_\_ flow, Material flow and Money flow.  
(a) Information (b) Market (c) Customer (d) Data
5. \_\_\_\_\_ is the fourth stage of SCM  
(a) Develop (b) Plan (c) Deliver (d) Return
6. \_\_\_\_\_ is a collection of interrelated data and a set of programs to access those data.  
(a) Table (b) Worksheet (c) DBMS (d) None of these
7. SFA is centered around the \_\_\_\_\_ and not on an individual buyer.  
(a) Organisation (b) Enterprise (c) Environment (d) Evaluate
8. \_\_\_\_\_ entities are organised in graph, in which some entities can be accessed through several path.  
(a) Hierarchical Model (b) Network Model (c) Relational Model (d) None of these
9. Smart card usually contains an embedded \_\_\_\_\_.  
(a) Sim (b) IC (c) Microprocessor (d) None of these
10. ECS has provided benefits to the banks, Ultimate beneficiaries and \_\_\_\_\_.  
(a) Government (b) Schools (c) User Institution (d) Field

(07)

Q:1 B. State True and False (Any 7)

1. MS Excel is system used for maintain DBMS.
2. CRM is a part of ERP.
3. Open source SCM software are available online.
4. An ERP system can have CRM and SCM systems.
5. Debit card is like a Post-Paid Services.
6. The Relational Database Model was introduced by E.G.Codd in 1970.
7. There are Four stages in ERP.
8. Data is plural of datum, which means a single piece of information.
9. There are two variants of CRM: Debit and Credit.
10. Use of SCM increases lead time.

Q:2 A. Explain the features of MS Excel

(08)

B. Explain Pivot Table in MS Excel with Example

(07)



OR

- A. Explain different types of Chart in MS Excel with Example
- B. Explain VLOOKUP with Example

(08)

(07)

Q:3 A. Explain the Following Terms

(15)

- 1. Information 2. Database 3. Data 4. Primary Key 5. Foreign Key

OR

- B. Explain RDBMS Advantages and Disadvantages with Example.
- C. Explain Difference between Super Key and Candidate Key.

(08)

(07)

Q:4 A. Explain All Processes involved in SCM and explain evolution of SCM?

(08)

B Explain CRM and How CRM is related to DBMS?

(07)

OR

- A. What is difference between CRM and SCM with example.
- B. Explain ERP with Advantages and Disadvantages of ERP?

(08)

(07)

Q:5 A. Explain ECS and ECS Debit and ECS Credit with example?

(08)

B. What is Core Banking System with Advantages and Disadvantages.

(07)

OR

B. Write Short note on: (Any 3)

(15)

- 1. CRM
- 2. Datatypes in DBMS
- 3. Smart Card Application
- 4. SCM Advantages
- 5. ATM



BfM

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PROGRAM: BFM	SEMESTER: III
CLASS: SYBFM	COURSE/ SUBJECT: FC(Money Market)
MARKS: 75	TIME: 2 HOUR & 30 MINUTES

NOTE: 1. All questions are compulsory

2. Figures to the right indicate marks

**Q1.A Match the Column. (ANY 8)**

**8M**

1) DFHI	A) Apex bank
2) SLR	B) 1989
3) CRR	C) 1990
4) G-sec	D) Negotiable instruments
5) RBI	E) Sponsors
6) Certificate of deposit	F) Credit Rating agency
7) Commercial Paper	G) Government dated bills
8) Promissory Note	H) maintained in RBI locker
9) Mutual fund	I) Maintained by commercial bank
10) CRISIL	J) March 1988

**Q1. B State whether following statements are true or false: (ANY 7)**

**7M**

1. Money market is in significant in India.
2. Unorganised sector does not mobilize savings.
3. Development institution provides consultancy facilities.
4. Capital market is absent in India.
5. Money market deals with short term instrument.
6. Near money financial asset can be quickly converted into money with minimum transaction cost.
7. Money market is a single homogeneous market.
8. Marketable assets are easily transferred from one person to another.
9. NBFC is not regulated by RBI Act.
10. DFHI was formed to provide liquidity to money market instruments.

**Q2. a. Write features of features of money market.**

**8M**

**b. Regulatory Powers of RBI in money market.**

**7M**



OR

- A. Explain different types of Chart in MS Excel with Example (08)
- B. Explain VLOOKUP with Example (07)

Q:3 A. Explain the Following Terms

- 1. Information 2. Database 3. Data 4. Primary Key 5. Foreign Key (15)

OR

- B. Explain RDBMS Advantages and Disadvantages with Example. (08)
- C. Explain Difference between Super Key and Candidate Key. (07)

Q:4 A. Explain All Processes involved in SCM and explain evolution of SCM? (08)

B Explain CRM and How CRM is related to DBMS? (07)

OR

- A. What is difference between CRM and SCM with example. (08)
- B. Explain ERP with Advantages and Disadvantages of ERP? (07)

Q:5 A. Explain ECS and ECS Debit and ECS Credit with example? (08)

B. What is Core Banking System with Advantages and Disadvantages. (07)

OR

B. Write Short note on: (Any 3) (15)

- 1. CRM
- 2. Datatypes in DBMS
- 3. Smart Card Application
- 4. SCM Advantages
- 5. ATM



BFM

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PROGRAM: BFM	SEMESTER: III
CLASS: SYBFM	COURSE/ SUBJECT: FC(Money Market)
MARKS: 75	TIME: 2 HOUR & 30 MINUTES

NOTE: 1. All questions are compulsory  
2. Figures to the right indicate marks

**Q1.A Match the Column. (ANY 8)**

8M

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**Q1. B State whether following statements are true or false: (ANY 7)**

7M

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10. DFHI was formed to provide liquidity to money market instruments.

**Q2. a. Write features of features of money market.**

8M

**b. Regulatory Powers of RBI in money market.**

7M



OR

c. Write note on FIMMDA.

8M

d. Explain functions of FEDAI.

7M

Q.3.a. Write Note on NDS-OM.

8M

b. Assuming that the price of 91 days Treasury bills at issue is Rs98.20, Find out yield.

7M

OR

c. Write advantages of treasury bills.

8M

d. 41 days remain for treasury bill and price of trading at 99, what is the yield? 7M

Q4.a. Structure of mutual fund in India.

8M

b. Promissory note VS. Commercial bills.

7M

OR

c. Advantages of money market mutual fund.

8M

d. Commercial paper face value Rs.100. And redemption after 90 days. Discount rate on CP is 10%, find out Discount on per 1 Rs?

7M

Q5.a. Recent development in money market.

8M

b. Deficiencies in money market.

7M

OR

C. Write a short note on: (any 3 out of 5):

15M

1. Mutual fund

2. IBP

3. Certificate of deposit

4. Types of bills

5. Call Money



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**EXTERNAL EXAM OCTOBER, 2022**

<b>PROGRAM: BFM</b>	<b>SEMESTER:III</b>
<b>CLASS:S.Y.B.F.M</b>	<b>COURSE/ SUBJECT: Management Accounting</b>
<b>MARKS: 75</b>	<b>TIME: 2Hours and 30 Minutes.</b>

**NOTE:1. All questions are compulsory.**

**2. Figures are right to indicate full marks.**

**Q1) A) Match the Column (Any 8)**

**(8)**

Column A	Column B
Core Working Capital	Efficiency in collection from debtors
Dividend Received	Total Current Assets
Return on Capital Employed	Dividend paying ability
Railway Sidings	Balance of P/L Appropriation A/c
Trend Analysis	Trading efficiency
Gross Profit Ratio	Permanent Working Capital
Retained Earning	Investing Activity
Dividend Payout	Return on Investment
Gross Working Capital	Fixed Assets
Debtors turnover ratio	Earlier year as Base Year

**Q1) B) State whether the following statements are True or False: (Any 7)**

**(7)**

1. Management accounting is future oriented.
2. Current ratio & acid test ratio are the same.
3. Excess of sales over cost of goods sold is gross profit.
4. Proprietary ratio examines short term solvency position.
5. Higher net working capital leads to higher liquidity.
6. Trading organization requires less working capital.
7. Longer the process higher will be the working capital requirement.
8. Public deposit is unsecured debt.
9. All current liability are quick liability.
10. Credit granted by suppliers reduces working capital requirement.

**Q2) Following is the Balance Sheet of Roland Ltd.**

**(15)**

Balance Sheet as on 31<sup>st</sup> March 2001

Liability	Amt	Asset	Amt
Equity Share Capital	100000	Cash in Hand	2000
6% Preference Share Capital	100000	Cash at bank	10000
7% Debentures	40000	Bills Receivable	30000
8% Public Deposits	20000	Debtors	70000
Bank Overdraft	40000	Stock	40000
Creditors	60000	Advances	20000
Unpaid Dividend	10000	Furniture	30000



Outstanding Expense	7000	Machinery	100000
Reserves	150000	Land & Building	220000
Provision for Tax	20000	Goodwill	30000
Profit & Loss Account	20000	Preliminary Expenses	10000
		Calls in Arrears (Equity Share)	5000
Total	567000	Total	567000

Calculate the following Ratios:

- A) Current Ratio      B) Quick Ratio      C) Proprietary Ratio      D) Capital Gearing Ratio      E) Stock Working Capital Ratio.

OR

Q2) Following is the Revenue Statement of Sonali Ltd

(15)

Trading & Profit Loss A/c

Particulars	Amt	Particulars	Amt
To Opening Stock	54300	By Sales	540000
To Purchases	327150	By Closing Stock	84000
To carriage Inward	8550	By Interest Received	5400
To Office Expense	90000		
To Sales Expense	27000		
To Loss on sale of Fixed Assets	2400		
To Net Profit	120000		
Total	629400	Total	629400

Calculate the following ratio :

- A) Selling Expense Ratio    B) Stock Turnover Ratio    C) Operating Ratio  
D) Net Profit Before Tax Ratio    E) Gross Profit Ratio

Q3) You are required to prepare a statement showing the working capital required to finance the level of activity of 12000 units per year from the following information: (15)

- 1) Raw material is in stock on an average for 2months.
- 2) Materials are in process on an average for half a month.
- 3) Finished goods are in stock on an average for one month.
- 4) Credit allowed by suppliers is 1.5 months of purchase of raw materials & credit allowed to the customers is 2.5 months.
- 5) Lag in Payment of wages & overheads are one month.
- 6) Cash & Bank balance is expected to be 10% of Net Working Capital before considering the cash & Bank balance.
- 7) Activities are spread evenly through out the year.

Cost Per Unit are as follows:

- A) Raw Material    Rs10  
B) Wages            Rs7  
C) Overheads        Rs15  
D) Total Cost        Rs32  
E) Profit is 20% on Selling Price.

OR



Q3) M/s Sudesh Ltd carrying on Business furnishes the position as on 31<sup>st</sup> December 2007 & 2008 as under:

(15)

Liability	2007	2008	Asset	2007	2008
Equity Share Capital	300000	300000	Fixed Assets	300000	300000
Preference Share Capital	200000	200000	Investment	100000	100000
General Reserve	50000	100000	Debtors	100000	150000
Secured Loan	100000	100000	Stock	50000	100000
Creditors	40000	80000	Advances paid	50000	50000
Bills Payable	10000	20000	Cash	50000	50000
			Bank	25000	40000
			Discount on Issue of Shares	25000	10000
Total	700000	800000	Total	700000	800000

Prepare Vertical Trend Balance Sheet & offer comments on Working Capital.

Q4) Rearrange the following Manufacturing & Trading A/c of M/s Dada & Co. in a form suitable for financial analysis:

(15)

Particulars	Amt	Particulars	Amt
To Opening Stock		By Sales	900000
Raw Material	72000	By Sale of factory scrap	6000
WIP	12000	By Closing Stock	
Finish Goods	48000	RM	60000
To Purchase of RM	480000	WIP	18000
To Freight	12000	FG	72000
To Octroi	48000		
To Import duty	6000		
To Direct Wages	120000		
To Direct expenses	36000		
To Factory power	24000		
To Factory Salary	12000		
To Factory repairs	36000		
To Factory Rent	60000		
To Depreciation on Machinery	24000		
To Gross Profit	66000		
Total	1056000	Total	1056000

OR

Q4) Following are the Balance Sheet of DEF Ltd as on 31<sup>st</sup> March 2004 & 2005. (15)

Liability	2005	2004	Asset	2005	2004
Share Capital	900000	900000	Bank	14000	-----
General Reserve	310000	260000	Goodwill	-----	25000
P/L A/c	173000	172500	Stock	168000	220000
Loan from HDFC	350000	390000	Cash	20000	6000
Creditors	462500	550000	Debtors	360000	440000
PFT	152500	168500	Equipment	91000	100000
			Machinery	845000	750000
			Premises	850000	900000
Total	2348000	2441000	Total	2348000	2441000



Outstanding Expense	7000	Machinery	100000
Reserves	150000	Land & Building	220000
Provision for Tax	20000	Goodwill	30000
Profit & Loss Account	20000	Preliminary Expenses	10000
		Calls in Arrears (Equity Share)	5000
Total	567000	Total	567000

Calculate the following Ratios:

- A) Current Ratio      B) Quick Ratio      C) Proprietary Ratio      D) Capital Gearing Ratio      E) Stock Working Capital Ratio.

OR

Q2) Following is the Revenue Statement of Sonali Ltd

(15)

Trading & Profit Loss A/c

Particulars	Amt	Particulars	Amt
To Opening Stock	54300	By Sales	540000
To Purchases	327150	By Closing Stock	84000
To carriage Inward	8550	By Interest Received	5400
To Office Expense	90000		
To Sales Expense	27000		
To Loss on sale of Fixed Assets	2400		
To Net Profit	120000		
Total	629400	Total	629400

Calculate the following ratio :

- A) Selling Expense Ratio      B) Stock Turnover Ratio      C) Operating Ratio  
D) Net Profit Before Tax Ratio      E) Gross Profit Ratio

Q3) You are required to prepare a statement showing the working capital required to finance the level of activity of 12000 units per year from the following information: (15)

- 1) Raw material is in stock on an average for 2 months.
- 2) Materials are in process on an average for half a month.
- 3) Finished goods are in stock on an average for one month.
- 4) Credit allowed by suppliers is 1.5 months of purchase of raw materials & credit allowed to the customers is 2.5 months.
- 5) Lag in Payment of wages & overheads are one month.
- 6) Cash & Bank balance is expected to be 10% of Net Working Capital before considering the cash & Bank balance.
- 7) Activities are spread evenly through out the year.

Cost Per Unit are as follows:

- A) Raw Material      Rs10  
B) Wages      Rs7  
C) Overheads      Rs15  
D) Total Cost      Rs32  
E) Profit is 20% on Selling Price.

OR

**Additional Information:**

- 1) Income tax provision for the year was RS 150000.
- 2) There is no sale or purchase in equipment during the year.
- 3) Dividend of RS 50000 paid during the year.
- 4) Depreciation on premises is provided RS 50000 & Machinery RS 85000.  
You are required to prepare Cash Flow Statement.

Q5) A. Explain Qualities of a Management Accountant (8)

Q5) B. Distinguish between Own Funds & Owed Funds (7)

**OR**

Q5) Write Short Note (Any 3) (15)

- 1) Explain Vertical Financial Statements
- 2) Sources of Funds
- 3) Activity Ratio
- 4) Comparative Statements
- 5) Types of Working Capital