TYBAF SEM V INTERNAL JUNE 2019-2020.

SUBECT –FINANACIAL MANAGEMENT-II

NAME OF THE STUDENT- KAMTI POOJA

1. Write a short note on “Importance of Capital Budgeting”.

2. In capital rationing situation (Investment limit Rs. 5 Lakhs), suggest the most desirable feasible combinations on the basis of the following data.

|  |  |  |
| --- | --- | --- |
| Project | Cost (Rs) | Profitability Index |
| A  B  C  D  E  F | 150000  75000  175000  225000  100000  200000 | 1.22  0.95  1.20  1.18  1.20  1.05 |

Assume that projects are indivisible,

3. Mr. Avinash is planning to purchase a machine of Rs. 250000. This would give following cash flow. Find out: A) The Net Present value and Profitability Index at discounting rate of 12% and Discounted Pay Back Period.

|  |  |
| --- | --- |
| Year | Cash Flow Rs. |
| 1  2  3  4 | 90000  65000  75000  100000 |

4..Write short note on :

a) Receivables Management

b) Ageing Schedule

NAME OF THE STUDENT- MANDALIYA KALPESH

1. Explain the criterion for evaluation under IRR method.

2. ABC Co. is considering one of the machineries to purchase from the following data:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Machine A** | **Machine B** |
| Estimated Life | 3 years | 3 years |
| Capital Cost | Rs. 120000 | Rs. 120000 |
| Earnings (After Tax): Year 1 | Rs. 50000 | Rs. 40000 |
| Year 2 | Rs. 60000 | Rs. 70000 |
| Year 3 | Rs. 40000 | Rs. 50000 |

Company follows SLM method and salvage value of both is zero. Calculate Payback Period and Accounting Rate of Return of both the machinery and choose the best machinery for the company.

3. Hard Rock Ltd. is considering two different investment proposals.

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Proposal 1** | **Proposal 2** |
| Investment Cost | Rs. 20000 | Rs. 40000 |
| Estimated Income: Year 1 | Rs. 9000 | Rs. 17000 |
| Year 2 | Rs. 9000 | Rs. 15000 |
| Year 3 | Rs. 10000 | Rs. 23000 |

Suggest the most attractive proposal on the basis of NPV and PI at discounted rate of 12%.

4. Discuss theories of

a) Net Operating Income

b)Net Operating Income Approach

NAME OF THE STUDENT- MISHRA PRITI

1. State Advantage of Mutual Funds.

2. Discuss the theories of

a)Modigliani and Miller Approach

b)Trade off Theory

c) Signalling Theory

3. In capital rationing situation (Investment limit Rs. 6 Lakhs), suggest the most desirable feasible combinations on the basis of the following data.

|  |  |  |
| --- | --- | --- |
| Project | Cost (Rs) | Profitability Index |
| A  B  C  D  E  F | 250000  85000  175000  125000  100000  300000 | 1.22  0.95  1.20  1.18  1.20  1.05 |

Assume that projects are indivisible,

4. Mr. Avinash is planning to purchase a machine of Rs. 350000. This would give following cash flow. Find out: A) The Net Present value and Profitability Index at discounting rate of 12% and Discounted Pay Back Period.

|  |  |
| --- | --- |
| Year | Cash Flow Rs. |
| 1  2  3  4 | 190000  65000  85000  100000 |

TYBAF SEM V INTERNAL JUNE 2019-2020.

SUBECT –FINANCIAL ACCOUNTING-V

NAME OF THE STUDENT- JOSHI KRISHNA SAMEER

1. Extract of Balance Sheet:

Equity Shares of Rs. 10 each fully paid. 5,00,000

6% Preference Shares of Rs.100 each

3,00,000

Pass journal entries for

1. a) The equity shares are sub divided into shares of Re.1 each
2. b) The preference shares forego 40% of their claim and for the balance their dividend rate is to be raised to 9%.

2. Short note on Securities Premium.

3. X Ltd. Desire to buyback, 5,000 equity shares of Rs.10 each. It complies with the condition. For this purpose, the company decided to issue new debenture shares of Rs.10 each of the equivalent amount.

Pass journal Entries in the books of X Ltd.

4.Pass journal Entries in the following cases.

1. Creditors of Rs. 20,000 are finally settled by cash payment of Rs.16,000.
2. Creditors of Rs. 1,00,000, 75% of their claim settled by cash payment of 20% and sacrifice of 80%.
3. 1,000 14% debentures of Rs.100 each are settled at 90% by issue at par of equity shares and the balance is settled in cash.
4. 8% Rs.1,00,000 preference shares of Rs.100 each are converted into Rs. 80,000 preference shares of Rs.80 each.

NAME OF THE STUDENT- MANDALIYA KALPESH

1. Solve the following:

1. The summary balance sheet of N Ltd as on 31st March 2016 is as follows

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Rs** | **Assets** | **Rs** |
| Equity shares of Rs 10 each  Preference shares of Rs 100 each  Securities Premium  General Reserve  Profit & Loss  Debentures  Trade Payable  **Total** | 3,00,000  1,00,000  1,50,000  1,00,000  1,00,000  8,00,000  1,00,000  **16,50,000** | Fixed Assets  Long term investments  Bank  **Total** | 8,00,000  1,00,000  7,50,000  **16,50,000** |

Keeping in view all the legal requirements, ascertain the maximum number of equity shares that N ltd can buy back @Rs. 30 per share.

2. Pass journal Entries in the following cases.

1. Creditors of Rs. 20,000 are finally settled by cash payment of Rs.16,000.
2. Creditors of Rs. 1,00,000, 75% of their claim settled by cash payment of 20% and sacrifice of 80%.
3. 1,000 14% debentures of Rs.100 each are settled at 90% by issue at par of equity shares and the balance is settled in cash.
4. 8% Rs.1,00,000 preference shares of Rs.100 each are converted into Rs. 80,000 preference shares of Rs.80 each.

3. What is free reserves, Give any 3 Example.