

POSSESSION OF MOBILES IN EXAM IS UFM PRACTICE

Name: JA

Enrollment No: 3202

Jaypee Institute of Information Technology, Noida
T1 Examination, Odd Semester 2022

B.Tech V Semester

Course Name: Financial Management
Course Code: 16B1NHS433

Maximum Time: 1 Hr
Maximum Marks: 20

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After completion of the course, students would be able to:

- CO1 Understand the fundamental concepts of Financial Management and analyze the time value of money in taking investment decisions.
- CO2 Contrast the various forms of business organizations, evaluate the sources of funds and measure their financial performance through ratio analysis.
- CO3 Evaluate investment projects using capital budgeting techniques
- CO4 Apply the concept of cost of capital into evaluation of investment projects
- CO5 Evaluate the leverage capacity of a business and its application in selection of long term sources of finance.
- CO6 Understand the practical considerations for managing working capital requirements in a firm.

Note: All questions are compulsory to attempt.

- ① What are the major financial decisions? Explain (CO1,2)
- ② Answer the following questions in one word: (CO1,2)
 - a. Advance income is shown as liability according to which principle?
 - b. Depreciation reserves are created as per which concept or convention? con
 - c. According to which of the accounting principles, the owners of a business are considered as creditors.
 - d. _____ concept states how the expenses should be compared with revenue for ascertaining exact profit or loss for a particular period.

- 3 The following transactions have taken place in the month of August 2022, in the business of Shyam Lal & Sons. Use the accounting equation to show its effect on assets, liabilities and capital. (CO1,4)
 - a. Purchased goods of Rs 4,80,000 from Raheja and Co at 5% cash discount.
 - b. Paid salaries of Rs 1,00,400 to workers.
 - c. Received Rs 5000 as monthly interest from Bank deposit.
 - d. Sold goods of Rs 7,40,000 to Bansal Pvt Ltd on credit for Rs 8,20,000.

- 4 Ms. Shalvi Gupta, after completing her B.Tech degree in 2019 joined Fujitsu co, Noida on August 1, 2019 at a package of Rs 54,000.p.m. She wishes to pursue MS in Business Analytics from the University of Ireland which would cost her Rs.45,00,000. Shalvi, in her job can save Rs 1,20,000 p.a. which she can invest in Mutual Funds at 6% p.a. She knows that this amount shall not be enough for her fees so calculate the amount which she needs to extra save annually so that by August 2026, she can fund the education on her own. (CO1,4)

- 5 Zen Pvt Ltd provides the following information of his company. (CO2,8)

Estimated Sales	✓	Rs 4,50,000
Sales to Owner's Equity	✓	2.5 times
Total debt to Owner's equity	✓	65%
Current liabilities to Owners equity	✓	25%
Current Ratio	✓	3.6
Sales to Inventory	✓	5 times
Average collection period	✓	36 days in a year of 360 days
Fixed assets to owner's equity		75%

From the above given information, complete the Balance Sheet of Zen Pvt Ltd given below:

Liabilities	Amount	Assets	Amount
Owner's Equity	✓	Fixed Assets	✓
Long Term Liability	✓	Inventory	✓
Current Liability	✓	Debtors	✓
		Cash	✓
Total	✓	Total	