

24/4/18

TIME: 2.5 HRS.

MARKS : 75

Note – Attempt all questions subject to internal choice

Figures to the right indicate marks

Use of simple calculator is permitted

(Qn.paper for (R-2017) students)



Qn.1.From the following information calculate: 1. Debt Equity Ratio 2. Current ratio.3. Proprietary ratio 4. Gross profit ratio 5. Net profit ratio 6. Operating ratio 7. Debtors turnover ratio and collection period.

15

Income Statement for the year ended 31-12-17

	Rs.
Sales	5,00,000
Less: Cost of goods Sold	1,40,000
Gross Profit	3,60,000
Less: Operating expenses	1,60,000
Net Profit	2,00,000
Less: Taxation	80,000
Net Profit after taxation	1,20,000

Position Statement as on 31-12-17

Position Statement as on 31-3-17

Particulars	Rs.	Rs.	Rs.
Sources of Funds			
Equity share capital		2,00,000	
10% preference share Capital		3,00,000	
Reserves		1,00,000	
		-----	6,00,000
10% Debentures			4,00,000
Total sources			10,00,000
			=====
Application of funds			
Fixed Assets			8,00,000
Bank	80,000		
Cash	20,000		
Debtors	3,20,000		
Stock	80,000		
	-----	5,00,000	
Less Creditors	1,00,000		

Outstanding Expenses	2,00,000		

		(-)3,00,000	
		-----	2,00,000
Total Applications			10,00,000

OR

1. a) State the functions of Finance. 8
 b) Briefly mention the various sources of borrowed finance. 7

2. A seller provides the following figures for the first quarter of 2017 15

Sales month	Product A in units	Product B in units
January	35,000	30,000
February	25,000	20,000
March	30,000	25,000

The selling price of product A Rs.10, Product B Rs.20

Prepare a sales budget based on the above data for the first quarter of 2018 assuming:

- i) Sales Quantity of A increases by 10% and sales quantity of B increases by 20 %
- ii) Sales price of A increases by 20% and sales price of B decreases by 10%

OR

- 2 a) Briefly write about the different types of lease contracts. 8
- b) Briefly write about the sources of short term finance. 7

Qn.3. Prepare a cash budget for the period April, May & June from the following, assuming that the opening balance of cash on 1st April was Rs. 3,00,000. 15

Month	Sales Rs.	Purchases Rs.	Wages Rs.	Other Expenses Rs.
January	1,60,000	90,000	40,000	10,000
February	1,60,000	80,000	36,000	12,000
March	1,50,000	84,000	44,000	12,000
April	1,80,000	1,00,000	48,000	14,000
May	1,70,000	90,000	40,000	12,000
June	1,60,000	70,000	36,000	10,000

1. 50% of the purchases and sales were on cash basis.
2. The average collection period of the company is half month and purchases are paid regularly after 1 month.
3. Time lag in payment of wages is one month.
4. Rent of Rs. 1,000 is payable every month.