



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

## NOTICE

**DATE - 04/10/2022**

### **ATKT Internal Examination October, 2022**

#### **BBI (SEM. III)**

#### **INSTRUCTIONS FOR THE STUDENTS HAVING ATKT IN INTERNALS:**

- 1. Date and time of Submission of the Projects- 20th October, 2022 from 11 am to 11.45 am in the third floor staff room.**
2. Students must write their internal atkt project in their own handwriting on A4 size foolscap paper. On top of every page a student has to write his Complete Name, Program (Dept.), Semester, Roll no., Class and Contact No.
3. Students have to attach a photocopy or print out of questions allotted to him as displayed on the college website..
- 4. Student has to also attach a photocopy of atkt fee payment receipt to his project.**

<b>SUBJECT</b>	<b>FACULTY</b>
FINANCIAL MANAGEMENT - II	Durgesh Y. Kenkre
MANAGEMENT ACCOUNTING	Durgesh Y. Kenkre

5. Student have to report to the venue at least 10 minutes before the above time and meet the faculty mentioned.
6. Viva Voce is compulsory to be attended by students or else the student will be marked as ABSENT.
- 7. Submissions after the above mentioned date and time will not be accepted and entertained under any circumstances.**

**Prof. Durgesh Kenkre**  
Exam Convenor

**Prof. Subhashini Naikar**  
Vice Principal, SFC

**Dr. Kiran Mane**  
I/c Principal

DI/N-STD/GEN/00

## FINANCIAL MANAGEMENT- I

### 2093- JAIN TANISHA KISHOR

Explain EVA (Economic Value Addition)

Give the classification of term loans.

Explain features of debentures.

Explain Certificate of Deposits.

What do you mean by covenants? Explain positive and negative covenants.

### 2105- JAIN TAVISHA KISHOR

Explain Cost of Debt and cost of retained earnings.

Write a note on bonus shares.(Definition- meaning- features- advantages)

What do you understand by ploughing back of profits?

Write a note on Profit maximization and wealth maximization.

Explain the factors affecting dividend policy.

## MANAGEMENT ACCOUNTING

### 2093- JAIN TANISHA KISHOR

1. Distinguish between horizontal financial statements and vertical financial statements
2. Explain any 3 profitability ratios in detail with example.
3. C Ltd. wants you to estimate its working capital requirements for the forthcoming year. Following information is provided to you:
  - a. Estimated level of activity 26000 units (52 weeks)
  - a. Materials remain in stock for 4 weeks.
  - b. Finished goods remain in godown for 10 weeks.
  - c. Process period is 8 weeks.
  - d. Suppliers allow a credit of 8 weeks.
  - e. Customers are allowed a credit of 10 weeks.
  - f. Desired cash balance is Rs.2000.
  - g. Lag in payment of overheads is 2 weeks.
  - h. Cost structure: Materials Rs.5 p.u., Labour Rs.2 p.u. and Overheads Rs.3p.u. Selling price is Rs. 14 p.u.
4. Stock is Rs.45000, Creditors Rs.25000, Cash Rs.15000, Debtors Rs.40000, machinery Rs.150000, bills payable Rs.15000, bills receivable Rs.20000, prepaid expenses Rs.5000 and outstanding expenses Rs.10000. Calculate current ratio and quick ratio.
5. The earnings per share of B Ltd. is ` 4 and the rate of capitalisation applicable is 10%. The company has before it an option of adopting: (i) 50% (ii) 75% and (iii) 100% dividend payout ratio. Compute the market price of company's shares as per Walter's model if it can earn a return of 10% on its retained earnings.

**2105- JAIN TAVISHA KISHOR**

- 1) Explain any 4 types of working capital
- 2) Explain Operating cycle of a trader with a chart.
- 3) The earnings per share of a company are Rs. 10 and the rate of capitalization applicable to the company is 12% (ke). The company has before it an option of adopting a payment Ratio of 25% (or) 50%(or) 75%. Using Walter's formula of dividend payout, compute the Market value of the company's share of the productivity of retained earnings 8% (r)
  
- 4) Annual Sales : Rs.30 lakh  
Credit allowed by creditors : 1 month  
Credit allowed to debtors : 2 months  
Stock holding in terms of sales requirement : 1.5 months  
Gross profit : 25% on cost  
Cash on hand : Rs.50000  
Add 12.5% for safety margin.
  
- 5) From the following information compute operating ratio and cost of goods sold ratio ratio:  
Sales are Rs.30000, gross profit is Rs.12000 and operating profit is Rs.8000.

**2015- DAMANIYA JARNA HIRESH**

1. Explain Dividend Payout Ratio and Debt service ratio.
2. Explain factors determining Working Capital Requirements (Any5)
3. I Ltd. gives you the following details from its profit and loss account and requests you to compute its working capital requirements for the year:  
Materials Rs.2920000, Wages Rs.2190000, Overheads (including depreciation Rs. 73000) Rs.1460000 and Sales Rs.7665000.  
Other information:  
Materials remain in stores for 8 weeks. Finished goods remain in the warehouse for 10 weeks before issue for production. Process cycle is 12 weeks. Creditors grant a credit of 12 weeks while debtors are allowed a credit of 15 weeks. Wages are paid 4 weeks in arrears while overheads are paid 6 weeks in arrears. Desired cash balance is Rs.15000.
  
4. Sharpener Co. is a trader that sells goods at a profit of 25%. It has an annual sales of Rs.200 crore. Credit period allowed to debtors is 2.5 months and the credit period received from creditors is 2 months. Stock is expected to be in stores for 1.5 months.
5. The following data are available for R Ltd.  
— Earnings per share Rs. 8  
— Rate of return on investment 16%  
— Rate of return to shareholders 12%  
If Gordon's basic valuation formula is applied what will be the price per share when the dividend pay out ratio is 25%, 50%, 60% and 100%.