

Assets	2010 (₹)	2011 (₹)
Fixed Assets	7,50,000	10,00,000
Investment	1,00,000	3,00,000
Stock	2,00,000	2,20,000
Debtors	1,00,000	80,000
Cash	30,000	70,000
Bills Receivable	70,000	1,00,000
	12,50,000	17,70,000

6. Explain the concept of Working Capital. What are the determinants of Working Capital ? Explain.
7. The annual usage of a refrigerator manufacturing company is 1,60,000 units of a certain component. The order placing cost is ₹ 100 per order and the cost of carrying one unit for a year is 10% of the cost per unit which is ₹ 80. Calculate the economic order quantity.
8. What do you understand by Dividend ? State any *four* determinants of dividend policy.
9. Define Capital Structure and explain its features.

BBA-13
December – Examination 2021
BBA (Part III) Examination
Financial Management
Paper : BBA-13

Time : 1½ Hours]

[Maximum Marks : 70

Note :- The question paper is divided into two Sections A and B. Write answers as per the given instructions.

Section-A

4×3½=14

(Very Short Answer Type Questions)

Note :- Answer any *four* questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries 3½ marks.

1. (i) What do you understand by Financial Function ?
- (ii) What do you understand by Vertical analysis of Financial statements ?
- (iii) Write the formula of proprietary ratio.

- (iv) What is Cash Flow Statement ?
- (v) What is Permanent Working Capital ?
- (vi) What do you mean by Inventory Management ?
- (vii) Define 'Cost of Capital'.
- (viii) What is Internal Rate of Return ?

Section-B **4×14=56**

(Short Answer Type Questions)

Note :- Answer any *four* questions. Answer should not exceed **200** words. Each question carries 14 marks.

2. Explain as to how the Wealth Maximisation objective is superior to Profit Maximisation objective.
3. Discuss the utility and importance of Financial statements for the various parties interested in a business concern.
4. From the following Balance Sheet, calculate turnover ratios :

Liabilities	₹	Assets	₹
Share Capital	80,000	Fixed Assets	1,50,000
Profit and Loss Account	80,000	Debtors	60,000
15% Mortgage loan	70,000	Bills receivable	20,000
Creditors	50,000	Stock	40,000
Bills Payable	20,000	Cash at Bank	20,000
		Priliminary expenses	10,000
	3,00,000		3,00,000

Sales during the year amounted to ₹ 60,000 which yielded a gross profit of 20%. Receivables at the beginning ₹ 70,000 and payables at the end ₹ 60,000, Opening stock ₹ 30,000.

5. From the following Balance Sheets of ABC Ltd. as on 31st December, 2010 and 2011. You are required to prepare a statement showing changes in working capital :

Liabilities	2010 (₹)	2011 (₹)
Share Capital	5,00,000	6,00,000
Reserve and Surplus	2,00,000	4,00,000
Loans	3,00,000	5,00,000
Creditors	1,50,000	2,00,000
Bills Payable	1,00,000	70,000
	12,50,000	17,70,000