

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY
WAKNAGHAT, SOLAN (H.P.)
Make-up Examination, B. Tech (IV) Semester – All Branches, April – 2018

Subject Code: 10B11PD411

Max Marks: 25

Subject Name: Financial Management

Credit: 3

Max Time: 1 Hr 30 mins

Note: Answer all questions. Carrying of mobile phone will be treated as a case of unfair means. Make suitable assumptions, wherever necessary.

1. Following is the Trial Balance of M/s Vimal Enterprises as on March 31, 2017: (2+3+4=9)

Particulars	Dr. Amount (Rs.)	Cr. Amount (Rs.)
Capital	25,000	
Sales	40,000	
Cash in hand		3,000
Purchases		30,300
Machinery		20,600
Drawings		1,200
Debtors		9,600
Purchase Returns		500
Sales Returns	600	
Opening Stock	8,000	
Discount Allowed	800	
Creditors		11,330
Trade Expenses	2,100	
	76,830	76,830

The total of Trial Balance is correct but Trial Balance is not correct. Prepare correct Trial Balance. Further, assuming closing stock of Rs 6,000/- and depreciation on machinery is 10%, prepare Trading and Profit & Loss A/c as well as Balance Sheet of the given firm.

2. Following are the ratios of M/s Sapehia Brothers: (1.5x4=6)

Debtors Turnover 4 times, Creditors Turnover 6 times, Gross Profit Margin 20%.

Gross Profit is Rs 3,00,000/- Stock at the end of the year was Rs 20,000/- more than at the beginning of the year, bills payable and bills receivables are Rs 36,667/- and Rs 60,000/- respectively, Purchases Rs 20,20,000/- Calculate Sales, Sundry Debtors, Sundry Creditors and Stock.

3. What do you understand by Effective Interest Rate? How is it different from Stated Interest Rate? (4)
4. Define Financial Management. Briefly discuss its nature and scope. (2)
5. What are Preference Shares? Briefly discuss the features of Preference Shares. (4)