COURSE NAME: Financial Management

MAX. Marks: 25

COURSE CODE: 10B11PD411

Max. TIME: 1.5 Hrs.

Q1. Trial Balance as on 31st December, 2003

Sr No.	Particulars	Amount (Rs.)
1	Capital	20,000
2	Sundry Debtors	4,400
3	Drawings	1,800
4	Machinery	7,000
5	Sundry Creditors	2,800
6	Wages	10,000
7	Purchase	20,000
8	Purchase Return	1,000
9	Opening Stock	4,000
10	Furniture	10,000
11	Loans	10,000
12	Bank Balance	3,000
13	Carriage Charges In	300
14	Salaries	400
15	Rent and Taxes	900
16	Sales	29,000

Closing stock Rs. 1,200. Charge depreciation on machinery and furniture at 10%
Prepare the Trading and Profit and Loss a/c and Balance Sheet from the above information.

(CO1) (2+2+3= 7 marks)

Q2. Explain how the different ratios help assess the financial health of an organization.

(CO3) (5 Marks)

Q3. Calculate the following ratios from the information given below.
  a) Gross Profit ratio   b) Inventory Turnover Ratio   c) Liquidity Ratio   d) Debt to Equity Ratio
  e) Interest Coverage Ratio

	19X1	Liabilities and Equity	20X1
Sales	300	Creditors	25
Cost of goods sold	100	Debentures	250
Gross profit	200	Share capital	1000

Operating expenses	25	Reserves	225
EBIT	175	Total	1500
Interest	15	**Assets**	
PBT	160	Cash	50
Tax	67.55	Debtors	50
Net profit	92.45	Stock	400
No. of shares	100	Fixed assets	1000
P/E ratio	5		

(CO3)(5 Marks)

Q4. What is depreciation and how is it shown in the final accounts?   (CO2) (3 Marks)

Q5. a) The PMC Bank pays 10% interest and compounds it monthly. If one puts Rs5000 initially into a deposit account, how much will it have grown in 3.5 years?

b) Calculate the EMI of a loan of Rs20,00,000 where the interest is 8% and the term of the loan is 15 years.

(CO1) (2.5 Marks each)