S.Y. P.G.D.F.M (Part-II)

**Con. 238-15.** Financial management **EH-2203**

June 2015

**(3 Hours)** **[Total Marks : 100**

1. Answer ANY THREE questions from SECTION I and ANY TWO questions from SECTION II. Thus attempt, any FIVE questions in all.
2. All questions carry equal Marks.
3. Both the sections are to be answered in SAME answer book.

## SECTION I

1. JBC Ltd. sells goods on a gross profit of 25%. Depreciation is considered as a part of cost of production. The following are the annual figures given to you :

| | |
|---|---|
| Sales (2 months credit) | Rs. 18,00,000 |
| Materials consumed (1 months credit) | 4,50,000 |
| Wages paid (1 month lag in payment) | 3,60,000 |
| Cash manufacturing expenses (1 month lag in payment) | 4,80,000 |
| Administrative expenses (1 month lag in payment) | 1,20,000 |
| Sales promotion expenses (paid quarterly in advance) | 60,000 |

The company keeps one month's stock each of raw materials and finished goods. It also keeps Rs.1,00,000 in cash. You are required to estimate the working capital requirements of the company on cash cost basis, assuming 15% safety margin

2. The Capital structure of X Ltd. Consists of an Equity Share Capital of Rs.10,00,000(Shares of Rs.100 par value) and Rs.10,00,000,10% Debentures, Sales increased by 20% from 1,00,000 units to 1,20,000 units, the selling price is Rs.10 per unit, Variable costs amount to 60% and fixed expenses amount to Rs.2,00,000.The income-tax rate is assumed to be 40%.

   a) You are required to calculate the following

   i) The percentage increase in Earning per share.

   ii) The degree of Operating leverage, Financial leverage, and combined Leverage at 1,00,000 units and 1,20,000 Units.

   b) Comment on the behavior of operating & Financial Leverage in relation to increase in production from 1,00,000 units to 1,20,000 units.

[TURN OVER

3. The capital structure of H Ltd. as on 31st December, 2008 is as follows:

| | |
|---|---|
| Equity Capital: 10 lakhs shares of Rs 10 each | = Rs. 1 crore |
| Reserves | = Rs. 20 lakhs |
| 14% debentures of Rs 100 each | = Rs. 30 lakhs |

For the year ended 31st December, 2008; the company has paid equity dividend at 20%. As the company is a market leader with good future, dividend is likely to grow by 5% every year. The equity shares are now traded at Rs. 80 per share in the stock exchange. Income tax rate applicable to the company is 40%.

**You are required to calculate:**

**(i) The current weighted average cost of capital.**

**(ii) The company has plans to raise a further Rs. 50 lakhs by way of long – term loan at 15% interest. When this takes place, the market value of the equity shares is expected to fall to Rs. 50 per share. What will be the new weighted average cost of capital of the company?**

4. Key information pertaining to the proposed new financing plans of Hypothetical Ltd. is given below:

| Source of Funds | Financial Plans | |
|---|---|---|
| | 1 | 2 |
| Equity | 15,000 shares of Rs. 100 each | 30,000 shares of Rs. 100 each. |
| Preference Shares | 12%, 25,000 shares of Rs. 100 each | - |
| Debentures | Rs. 5,00,000 at a coupon rate of 0.10 | 15,00,000 coupon rate of 0.11 |

Assuming 35 per cent tax rate. If the firm is fairly certain that its EBIT will be Rs. 12,50,000, which plan would you recommend, and why?

5. ABC Pvt. Ltd. is contemplating the purchases of a machine costing Rs. 1,20,000. In order to assess the profitability of the proposed investment, the following data are given:

(i) Estimated life – 5 years.

(ii) Estimated scrap value – Rs. 5,000

(iii) Net cash benefits before depreciation and tax.

Year 1 to 3 ……. Rs. 35,000 per year.

Year 4 to 5 ........Rs.45,000 per year.

(iv) Assume that the whole assets can be depreciated fully in the5 year period for tax purposes.

(v) Tax rate 50%, Discount rate 15%.

Evaluate based on NPV and IRR.

## SECTION II

6. What are Short term Sources of funds?
7. What do you mean by Hire-purchase Agreement? How does it differ from leasing?
8. Elaborate the functions of International financial management?
9. State the scope of Financial Management? Illustrate your answer.

Con. 239-15. Management Accounting EH-2434

June 2015

(3 Hours) [Total Marks : 100

N.B.: 1] Question no. 1 is compulsory
2] Attempt any three questions from questions Q.2 to Q. 6
3] Attempt any one question from Q 7 to Q 9.
4] All questions carry 20 marks each.
5] working notes form part of your answer, suitable assumptions can be made if needed.

Q 1 Company ABC Ltd produces 10,000 units. The company's expenses to 1 unit of the product is listed below is for 90% utilization of installed capacity.

| particulars | Amount |
|---|---|
| Direct material | Rs. 7 |
| Direct labour | Rs. 5 |
| Other variable expenses | Rs.4.5 |
| Administrative overhead | Rs. 6 (40% variable) |
| Selling overhead | Rs. 3 (75% variable) |
| Production overhead | Rs.4 (20% variable) |
| Selling price | Rs.120 |

Prepare budget for 70%, 80% and 100% utilization of the capacity. Show bifurcation of fixed and variable portion under overheads in the statement of cost sheet.

Q 2 Stick-well Ltd. Follow standard costing technique. Standard for 90 units revealed the following

| Material | Quantity | Price | Total Cost |
|---|---|---|---|
| A | 30 | 4 | 120 |
| B | 25 | 2.4 | 60 |
| C | 45 | 4 | 180 |
| Input | 100 | | 360 |
| Loss | 10 | | -- |
| | 90 | | 360 |

In a same period, when 450 units were produced, Actual data is as follows.

| Material | Quantity | Price | Total Cost |
|---|---|---|---|
| A | 180 | 4.5 | 810 |
| B | 160 | 3 | 480 |
| C | 260 | 3 | 780 |
| Input | 600 | | 2,070 |
| Loss | 150 | | -- |
| Out-put | 450 | | 2,070 |

You are required to compute the
a] material cost variances.
b] material price variances
c] material mix variance
d] material yield variance
e] material usage variance



[TURN OVER

Q 3. Nikesh Ltd. Whishes to arrange for overhead facilities with its bankers during the period August to October of year 2014 when it will be manufacturing mainly for stock. Prepare a cash budget for the above period from the following data, indicating the extent of bank facilities the company will require at the end of each month.

| Month | Sales | Purchases | Salaries |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| June | 2,80,000 | 1,24,000 | 22,000 |
| July | 1,90,000 | 2,44,000 | 24,000 |
| August | 2,00,000 | 2,43,000 | 21,000 |
| September | 2,70,000 | 1,46,000 | 20,000 |
| October | 2,20,000 | 1,68,000 | 25,000 |
| November | 2,50,000 | 1,80,000 | 30,000 |

20% of total sales are cash sales, 50% of the credit sales are realised in one month following the sales and the Remaining I second month following of the sales.
Creditors are paid one month in advance of purchase.
Time lag of payment of Salaries is a half month
Cash in the bank on 1st August is estimated at Rs.50,000.

Q 4 THD Limited manufactures domestic mixers. for the year ending 31st March,2012, expenses incurred are as follows for production of 1,000 units and 900 units sold.

| | Rs. |
|---|---|
| Raw Materials consumed | 1,00,000 |
| Direct Wages | 50,000 |
| Factory overheads | 80,000 |
| Administrative overheads | 23,000 |
| Selling overheads (which are 10% of sales value ) | 35,000 |
| Distribution overheads | 18,000 |

For the year 2012-2013 following changes are expected:
A] Production and Sales for the year 2012-2013 is expected to be 1,500 units.
B] Raw material prices are expected to rise by 15% but per unit consumption is expected to remaining the same as last year
C] Direct Wages may rise by 15% but productivity of labour Expected remaining the same as last year
D] Of the overheads, Rs.30,000/-are fixed costs and are expected to remain at the Same level, but variable component there of is likely to be same per unit in 2012-2013.
E] Administrative overheads may rise by 20%
F] Selling overheads as a percentage of sale value may retain at the same level as that for the year 2011-2012
G] Distribution overheads per unit may remain the same.
H] the selling price should be such that company should to make a profit of 20% on sale value.
You are required to prepare cost sheet for 2011-12 nd 2012-13

5

Q 5. Ranbir Corporation Ltd., has prepared the following budget estimates for the year 2014-15;

| | |
|---|---|
| Sales Units | 15,000 |
| Fixed Expenses | Rs.34,000 |
| Sales | Rs 1,50,000 |
| Variable Costs | 6 per unit |

Your are required to :

( i ) Find the P/V Ratio, Break-even Point and Margin of Safety.

( ii ) Calculate the Revised P/V Ratio and Break even Point in each of the following cases :

( a ) Decrease of 10% in selling price

( b ) Increase of 10% in variable costs

( c ) Increase of sales volume by 2,000 units

( d ) Increase of Rs,6,000 in fixed costs.

Q. 6 Indian Plastics make plastic buckets. An analysis of their accounting reveals :

| | |
|---|---|
| Variable cost per bucket | Rs.20 |
| Fixed Cost | Rs.42,000 for the year |
| Capacity | 2,000 buckets per year |
| Selling price per bucket | Rs.70 |
| Units produced and sold | 1400 units |

Required:

( i ) Find the break-even point

( ii ) Margin of safety at current level

( iii ) Find the number of buckets to be sold to get a profit of Rs.30,000

( iv ) If the company can manufacture 600 buckets more per year with an additional fixed cost of Rs.8,000, what should be the selling price to maintain the profit per bucket as at above ?

Q 7. List out features, advantages and disadvantages of marginal costing.

Q8. Explain relationship between cost accounting financial accounting and management accounting

Q 9 write short notes on any two

A] Distinguish between Forecasting and Budgeting

B] explain fixed budgets and flexible budgets

C] Break even analysis

D] explain importance of standard costing and variance analysis

********

06

S.Y.P.G.D.F.M - (Paper-VII)

Taxation-II

June 2015

**Con. 246-15.**

**EH-2439**

**(3 Hours)** **[Total Marks : 100**

**NB: 1) ALL questions are compulsory.**
**2) Figures to the right indicate full marks.**
**3) Working notes form part of answer.**
**4) Use of simple calculator is permitted.**

Q.1) Explain the following terms (any four):- (20)
a) Provisional Assessment under Custom Law
b) Excisable goods as per Excise Law
c) Dealer as per C.S.T Law
d) Manufacture as per Excise Law
e) Tourist as per Custom Law

Q.2) Write Short Notes (any TWO) (16)
a) Assessable Value
b) CENVAT Credit
c) Turnover for SSI

**OR**

Q.2) Revati Industries has a factory at Lonavala and two branches at Vapi and Silvasa.The goods produced at factory are dispatched to the branches. The goods are produced at cost of 170 per unit. The transport cost to Vapi is 35 per unit and to Silvasa are 30 per unit.
Profit @ 20% on cost is added.
During March 2015, quantity manufactured was 25,000 units. Out of this 7,500 units were sent to vapi and 6,500 units were sent to Silvasa.
The sales during month were:-
a) Lonavala----9,000 units to Local Customer
Lonavala---2,000 units to overseas buyer
b) Vapi---6,500 units to Local Customers
c) Silvasa---5,500 units to Local Customers
In addition 500 units were captively consumed. Calculate excise duty payable @12.36%. (16)

Q.3) Explain provisions under CST Law for:- (16)
a) Sale in course of Export
b) Declared goods
c) Rates of tax
d) Forms prescribed

**OR**

Q.3) Jeet Traders ,Mumbai purchased goods worth 8,00,000from Valsad and 3,00,000 from Goa during period January-March,2015.During same month it sold goods at price of 2,50,000 to customers at Maharashtra,8,50,000 to customers at other places in India and 2,00,000 to customers outside India. Besides goods worth 90,000 were returned by customers in Maharashtra and 70,000 were returned by customers in other places. Goods returned within 6 months of sales. The rate of tax for sale in Maharashtra is 5% and other places in India is 2 %.( C.S.T) Calculate the C.S.T payable with appropriate notes. (16)

Q.4) Explain Provisions as per Custom Law:- (16)
a) Transhipment



**[TURN OVER**

b) Anti –Dumping Duty
c) Tourist
d) Bill of Entry

**OR**

Q.4) on 27-2-2015 M/S Kareena Industries, Palghar imported from U.S.A a specially designed machine .The cost of machine comprised the following:- (16)

| | |
|---|---|
| Designing and Development Cost | 1,300 |
| Production Cost | 7,800 |
| Transport cost to U.S port | 500 |
| Freight from U.S port to Mumbai | 1,200 |
| Transit Insurance | 700 |
| Profit of U.S Company | 1,500 |
| Freight from Mumbai to Palghar | 400 |
| Installation cost at Palghar | 300 |

The landing charges at Mumbai @ 1 % of C.I.F.Cost .Currency Conversion @ 48 per Basic duty @ 20% +cess @ 3% .Counter Veiling Duty @ 10% + cess @ 3%.
Calculate:-
1) Total duty payable
2) Cost of Machine
3) CENVAT Credit Available immediately

Q.5) Explain the following as per Central Credit Rules:- (16)
a) Input
b) Capital Goods
c) Duties Eligible
d) Utilization of CENVAT Credit

**OR**

Q.5) M/S Srikant Industries received the following articles during January, 2015:- (16)

| PARTICULARS | VALUE |
|---|---|
| Raw Material | 6,00,000 |
| Lubricating Oil | 60,000 |
| Diesel | 2,40,000 |
| Quality Testing Machine | 2,00,000 |
| Pollution Control | 1,00,000 |
| Packing Materials | 1,80,000 |
| Processing Materials | 1,90,000 |
| Office Equipment | 1,50,000 |

The Excise duty is @ 12.36%.
Calculate total CENVAT Credit available.

Q.6) **Write Short Notes on (any TWO)** (16)
a) Penultimate sale under Central Sales Tax Act
b) Bonded Warehouses under Customs Act
c) Personal Ledger Account under Central Excise

08

S.Y. P.G.D.F.M (Paper - VIII)

Con. 240-15. M.I.C.S EH-2502

June 2015

(3 Hours) [Total Marks : 100

- Attempt any 5 questions.
- All questions carry equal marks.

1. Explain the different levels of management based on information requirements? [20]
2. Define computer. Explain the different types of computers? [20]
3. Describe the importance of Planning, Modeling and Forecasting? [20]
4. How is information classified? Explain briefly. [20]
5. Explain the informational requirements of various functions of Management in detail? [20]
6. Explain the limitations of MIS? [20]
7. Explain the organizational constraints in relation to a management control system? [20]
8. Explain the process involved in the comparison of actual results against standards and also the significance of the comparison. [20]

---

69