

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:**
1. All questions are **compulsory** from section I.
 2. Attempt any 3 questions from section II.
 3. Simple calculator is only allowed.
 4. **Figures** to the **right** indicates marks.

Section I

Q.1 (A) Explain in one / two sentences

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- a) EVA
- b) Hire Purchase
- c) Sweet Equity
- d) Hypothecation
- e) Spot Rate
- f) Flash report

Q.1 (B) Solve / Answer the following (Any Two)

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- a) Explain the concept of ESOP
- b) Calculate the missing figure:

Particulars	Amount in Rs.
Sales value in Rs.	?
Income	2,00,000
Average investment in Rs.	8,00,000
Sales Margin in %	20%
Capital turnover(times)	?
ROI (%)	?
EVA (Economic value added in Rs.)	?
Cost of Capital(WACC)	8%

(c) From the following information of P Ltd, for the year ended 31st March, 2009, Calculate the deferred tax asset/liability as per AS-22.

Accounting Profit	400000
Profit as per Income TAX Rules	360000
Book Profit as per MAT	40000
Tax Rate	30%
MAT Rate	10%

- Q.2 AB Ltd. Furnishing you the following information: 15
1. Proposed setup at Daman an Industrial area
 2. Tax Rate is @ 40%c.
 3. Depreciation P.a. Rs. 2,500 lakhs
 4. Term loan required Rs.40 lakhs
 5. Expected ROI @ 30%
 6. Interest rate @ 13%
 7. Tenure of loan= 8 years repayable with installments and interest at the end of each year.
 8. Tax holiday for first 5 years.

The cost of the proposed project and the means of finance are as follows:

Proposed Project	(RS. lakhs)
Cost of project:-	
Plant and machinery	30,000
Factory building	12,000
Margins Money for working capital	2,000
Total:-	44,000

Means of finance:	
Additional equity share capital	3,000
Retained earnings	1,000
Term loan	40,000
Total:-	44,000

As the bank executive of the term lending institute you are requested to:-

- a) Prepare flash report from the point of view of the term landing institution
- b) Evaluate the project for profitability in the next 3 years
- c) Calculate the Debt Service Coverage Ratio and Interest Coverage Ratio for the 1st 3 years and offer comment

Section II

- Q.3 Following is the data regarding six segments of Indigo Ltd. (Rs. In lakhs) 10

Segments	A	B	C	D	E	F
segments revenue in Rs.	150	240	150	90	60	30
Segments results	120	(450)	60	60	(30)	30
Segments Assets	1500	1800	600	120	300	120

- Q.4 M/s P and Co. has purchased a machinery from Q Ltd. on hire purchase basis. The details of purchase are: Cash Price Rs. 3, 80,400. Down payment 20% and remaining principal amount to be discharge in four yearly installments of Rs. 96,000 each along with interest on reducing balance method. Prepare a table to show the analysis of payment and calculation of interest and machinery account in the books of M/s P & co. 10

Q.5 Happy Ltd. Imported goods worth US \$ 4,00,000 from M/ s Hogg and co. of USA on 10th August 2016 when the exchange rate was Rs. 41.00 south Ltd. Agreed to pay the amt. in 4 equal installments as under

Date	Exchange Rate in Rs.
10-9-2016	42.25
10-10-2016	43.00
10-11-2016	43.50
10-12-2016	43.70

You are required to prepare foreign exchange fluctuation A/c in the books of south Ltd. Profit and loss Account for the year ending 31st March,2017 and the Balance Sheet as on that date, showing such working as necessary as per AS-11

Q.6 Write short notes on **any two** of the following:

- Lease and its types
- Primary and secondary Market
- Types of Under writing of share

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