S.Y.P.G.D.F.M.

May 2016

Financial Management - II

(Paper - V)

Con. 241-16. **PM-4820**

(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

Q.1 Excel Ltd. is considering three financing plans. The key information is as follows:

(a) Total Investment to be raised Rs. 2,00,000.

(b) Plan of Financing proportion:

Plan	Equity	Debt	Preference Shares.
A	100%	--	--
B	50%	50%	--
C	50%	--	50%

(c) Cost of Debt 8% .Cost of Preference Shares 8%.

(d) Tax rate 50%.

(e) Equity shares of the face value of Rs. 10 each will be issued at a premium of Rs. 10 per share.

(f) Expected PBIT is Rs. 80,000.

Determine for each plan.

Earnings per share (EPS)

[TURN OVER

2Q. You are furnished with the following information. You are required to prepare working capital estimate for the year ending 31st March 2010. It is anticipated that production and sales during the year would be 60,000 units. The selling price will be Rs.100 per unit. The expected elements of cost to selling price would be as under:

Raw Material	60%
Wages	15%
Overheads	15%

The following further estimated are given:

Raw material in stock = 1 month

Time lag in process = 2 weeks

Finished goods in stock = 6 weeks

75%on sales will be on credit and will be allowed 2 months credited.

Supplier of material will allow one month credit (100% purchases on credit basis)

Time lag for payment of wages and overheads = 2 weeks

Cash and Bank Balance on an average Rs. 35,000.

Q3. Elam Ltd. has total capital employed of Rs. 75,00,000/-. The break-up is as under :

15% Debt – 30%.

12% Preference Capital – 10%.-

Equity Capital and retained earnings are in proportion of 3:1.

All shares and debt are in units of Rs. 100 each. The Tax rate applicable is 40%.

Equity Shareholders expect dividend @ 15%. Growth rate 8%. Current market price Rs.120 .Cost of retained earnings to be considered @ 10%. You are required to ascertain Composite cost of capital.

Q4. The following details are given about Green Star Ltd.

Variable cost per unit = Rs. 150

Selling price per unit = Rs. 400

Number of outstanding equity shares = 3,00,000

Equity earnings = Rs. 1,50,000

Fixed expenses = Rs 7,00,000

Interest charges = Rs. 55,000

Preference dividend= 35,000

Corporate tax rate = 50%

Compute the Degree of Total Leverage at the following levels of output:

i. 1000
ii. 2500
iii. 3300
iv. 4500

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5. ABC Pvt. Ltd. is contemplating the purchases of a machine costing Rs.7,20,000. 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.75,000

(iii) Net cash benefits before depreciation and tax.

Year 1 to 3 .... Rs.1,35,000 per year.

Year 4 to 5 ....Rs.1,45,000 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. Explain the significance of debt equity ratio in the cost of capital of a business, and explain financial break-even and indifference analysis.

7. What do you mean by Hire-purchase Agreement? How does it differ from leasing?

8. State the scope of financial management ? Illustrate your answer.

9. Bring out the various remedies of Industrial Sickness.

S.Y.P.G.D.F.M.

MAY 2016

Con. 242-16. Management Accounting **PM-4910**

(Paper-VII)

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

N.B.

- **Questions No. 1 is compulsory.**
- **Attempt any Three questions from questions 2 to 6**
- **Attempt any One question from Questions 7 to 9**
- **All questions carry 20 Marks Each**
- **Suitable assumptions can be made if needed; working notes form part of your answer.**

1. A Factory is currently working at 50% capacity and produces 10,000 units. **Prepare a flexible Budget and estimate the profit of the company when it works at 60% and 80% capacity.**

At 60% capacity working raw material cost increase by 2% and selling price falls by 2%. At 80% capacity working raw material cost increase by 5% and selling price falls by 5%.

At 50% capacity working the product cost is ₹ 180 per unit and sold at ₹ 200 per unit.

The unit cost of ₹ 180 is made up as follow:

Material	₹ 100
Labour	₹ 30
Factory Overheads	₹ 30 (40% Fixed)
Administrative overheads	₹ 20 (50% Fixed)

Also find out Break Even Point at the above stated capacity utilisation.

2. The following details related to a product are made available to you:

Standard Cost per unit:

Material 50kg @ ₹ 40 per kg.

Labour 400 hours @ ₹ 1 per hour

Actual Cost:

Material 4,900 kg @ ₹ 42 per kg.

Labour 39,600 hours @ ₹ 1 per hour

Actual production 100 units.

You are required to calculate:

a) Material Cost Variance

b) Material Usage Variance

c) Material Price Variance

d) Labour Rate Variance

e) Labour Cost Variance

f) Labour Efficiency Variance

3. **Prepare Cash Budget of a company for April, May and June 2015 in a columnar form using the following information:**

Months	Sales ₹	Purchases ₹	Wages ₹	Expenses ₹
January 2015 (Actual)	80,000	45,000	20,000	5,000
February 2015 (Actual)	80,000	40,000	18,000	6,000
March 2015 (Actual)	75,000	42,000	22,000	6,000
April 2015 (Budgeted)	90,000	50,000	24,000	6,000
May 2015 (Budgeted)	85,000	45,000	20,000	6,000
June 2015 (Budgeted)	80,000	35,000	18,000	5,000

You are further informed that:

A) 10% of the purchases and 20% of the sales are for cash.

B) The average collection period of the company is ½ month and the credit purchases are paid off regularly after one month.

C) Wages are paid ½ monthly and rent of ₹ 500 is paid monthly.

D) Cash and bank balance as on 1st April, 2015 is ₹15,000.

4. The Kingfisher Electric Company furnishes you the following income information of the year 2015.

Particulars	First Half	Second Half
Sales	4,05,000	5,13,000
Profit	10,800	32,400

From the above table you are required to compute the following assuming that the fixed cost remains the same in both the periods.

a) P/V Ratio

b) Fixed Cost

c) Break Even Point

d) Variable cost for first and second half of the year.

e) The amount of profit or loss when sales are ₹ 3,24,000.

f) The amount of sales required to earn a profit of ₹ 54,000.

5. The state government granted license to Sugar Ltd. to manufacture and sell sugar with a stipulation that 40% of the output should be sold to the state Government at a controlled price of ₹ 3,000 per ton and the balance output can be sold in the open market at any price. Following are the details of Sugar Ltd. for the year ended 31st March, 2015.

During the year 3,600 tons of sugarcane was consumed @ ₹1,000 per ton.

Direct Labour amounted to ₹825 per ton of sugar produced.

The details of other expenditure are as follows:

Particulars	₹
Direct Expenditure	4,20,000
Telephone Charges	3,52,695
Office Computer purchased	2,75,350
Factory Rent and Insurance	3,54,760
Machinery Purchased	4,25,560
Machinery Repairs	98,847
Commission on Sales	3,37,650
Factory Salary	2,19,588
Carriage outward	1,54,090
Packing Expenses	1,94,450
Bank Interest	1,65,895
Factory Electricity	2,61,880
Delivery Van Expenses	1,06,850
Coal Consumed	3,80,125
Depreciation on Machinery	2,49,600
Depreciation on Computer	2,04,180
Depreciation on delivery Van	1,57,360
Office Salaries	1,89,325
Printing and Stationery	1,13,000

During the year 2,400 tons of Sugar was produced.

The Company's profit target for the year, for fixing the open market selling price on the basis of cost sheet is 10% of its average paid up capital of ₹ 1,42,56,000.

Prepare cost sheet and find various components of total cost and per unit cost and suggest the selling price for open market.

6. From the following information about sales, Calculate :

a) Sales Value Variance
b) Sales Price Variance
c) Sales Volume Variance
d) Sales Mix Variance
e) Sales Quantity Variance

Product	Standard		Actual	
	Units	Rate per Unit ₹	Units	Rate per Units ₹
X	15,000	6	20,000	5.50
Y	16,000	7	15,000	8.50
Z	9,000	8	15,000	10.00

7. Explain relationship between cost accounting, financial accounting and management accounting.

8. a) What are the social benefits of cost audit.

b) Discuss the scope of Management accounting.

9. Write short note on **any Two**:

a) Activity based costing

b) Break even analysis

c) Importance of Standard Costing

d) Responsibility Accounting

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Taxation-II (Paper-VII)

2016

Con. 243-16. **(OLD COURSE)** **PM-4376**

(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.

Q.1) Explain the following terms (Any Four): (20)
a) Manufacture as per Excise Law
b) Baggage as per Custom Law
c) Dealer as per CST Law
d) Capital goods as per Central Credit rules
e) Sales Price as per CST Law

Q.2) Write Short Notes (Any Two) (16)
a) CENVAT Credit
b) Manufacture as per Central Excise Act
c) Captive Consumption as per Excise Law

OR

Q.2) Jeet & Co. furnish the following expenditure incurred by them and want you to find assessable value for the purpose of paying excise duty on Captive consumption. Determine the cost of consumption Rule 8 of the Central Excise Valuation.

1) Direct material cost (per unit) inclusive of Excise duty @12.5% is 1350.
2) Direct Wages 300.
3) Other direct expenses 150
4) Indirect Material 100
5) Factory overhead 200
6) Administrative overhead 25% of production capacity is 200.
7) Selling and Distribution Expenses is 150.
8) Quality Control 50.
9) Sale of Scrap 100.
10) Actual profit margin is 20% (16)

Q.3) Explain the provisions under CST Law for: (16)
a) Forms under CST
b) Registration
c) Declared Goods
d) Essential ingredients of Sales

OR

Q.3) a) MR. Sachin reported interstate Sales turnover of 40, 00,000(all inclusive).On analysis it was ascertained that following items were included: (8)
i) Excise duty RS.3, 00,000
ii) Deposit for Returnable Containers 1, 50,000
iii) Freight 20,000
iv) Insurance 5,000
Compute the CST liability assuming that rate of tax is 5%.

b) MR. Vishal submit the following information from which ascertain CST payable: (8)
i) Basic price of goods sold is 1, 50,000
ii) Excise duty @ 12.5%

[TURNOVER

iii) Freight 1,500
iv) Insurance 500
Assume that purchaser is registered dealer.

Q.4) Explain Provisions as per Customs Law: (16)
a) Tourist
b) Bill of Entry
c) Inclusion and Exclusion in Custom Value
d) Custom Clearance procedure

OR

Q.4) M ltd an actual user imports certain goods from USA at: (16)
Mumbai port at cost $ 1, 60,000(FOB)
The other details are as follows:
Packing Charges $ 25,000
Sea freight to Indian port $ 40,000
~~Design & Development Charges~~ $ 10,000
Selling and Commission to be paid by Indian importer RS. 5,000.
Rate of Exchange announced by RBI 1$ = 40.60
Rate of Exchange utilized CBEC 1$ = 40.70
Rate of Basic Custom Duty is 15%.Apply CVD also.
Compute the Assessable Value and total duty payable.

Q.5) a) what is personal ledger Account under Central Excise Act. (8)
b) Utilisation of CENVAT Credit as per Central Excise Act. (8)

OR

Q.5) M/S Dinesh Industries received the following articles during February, 2016: (16)

Raw materials	7,00,000
Lubricating Oil	70,000
Diesel	2,40,000
Quality Testing Machine	2,00,000
Pollution Control	1,50,000
Packing Materials	2,00,000
Processing Materials	2,40,000
Office Equipment	1,90,000

The Excise duty is @12.5%.
Calculate total CENVAT Credit available.

Q.6) Write Short Notes on (Any Two) (16)

a) SSI exemption Scheme under Central Excise Act
b) Types of Custom duties under Custom Act
c) Liability to tax on interstate Sales

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Con. 243-16. **(REVISED COURSE)** **PM-4376**

(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) Manufacture as per Excise Law
b) Baggage as per Custom Law
c) Dealer as per CST Law
d) Goods as per MVAT
e) Sales Price as per CST Law

Q.2) Write Short Notes (Any Two) (16)
a) CENVAT Credit
b) Assessable value
c) Captive Consumption as per Excise Law

OR

Q.2) Jeet & Co. furnish the following expenditure incurred by them and want you to find assessable value for the purpose of paying excise duty on Captive consumption. Determine the cost of consumption Rule 8 of the Central Excise Valuation.

1) Direct material cost (per unit) inclusive of Excise duty @12.5% is 1350.
2) Direct Wages 300.
3) Other direct expenses 150
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9) Sale of Scrap 100.
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d) Essential ingredients of Sales

OR

Q.3) a) MR. Sachin reported interstate Sales turnover of 40, 00,000(all inclusive).On analysis it was ascertained that following items were included: (8)
i) Excise duty RS.3, 00,000
ii) Deposit for Returnable Containers 1, 50,000
iii) Freight 20,000
iv) Insurance 5,000
Compute the CST liability assuming that rate of tax is 5%.

b) MR. Vishal submit the following information from which ascertain CST payable: (8)
i) Basic price of goods sold is 1, 50,000

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[TURN OVER

ii) Excise duty @ 12.5%
iii) Freight 1,500
iv) Insurance 500
Assume that purchaser is registered dealer.

(16)

Q.4) Explain Provisions as per Customs Law:
a) Tourist
b) Bill of Entry
c) Inclusion and Exclusion in Custom Value
d) Custom Clearance procedure

OR

(16)

Q.4) M ltd an actual user imports certain goods from USA at:
Mumbai port at cost $ 1, 60,000(FOB)
The other details are as follows:
Packing Charges $ 25,000
Sea freight to Indian port $ 40,000
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Selling and Commission to be paid by Indian importer RS. 5,000.
Rate of Exchange announced by RBI 1$ = 40.60
Rate of Exchange utilized CBEC 1$ = 40.70
Rate of Basic Custom Duty is 15%.Apply CVD also.
Compute the Assessable Value and total duty payable.

(16)

Q.5) Explain the following provisions as per MVAT;
a) Sale price
b) Turnover limits
c) Registration
d) Dealer

OR

Q.5) The following information regarding the turnover of Purchases and Sales transaction is submitted by LMN, who started business on 1st March, 2015.Find out whether as per the provision of the MVAT Act, 2002 it is liable for registration and payment. (16)

MONTHS	PURCHASES WITH IN STATE TAX FREE GOODS	OUTSIDE THE TAX FREE GOODS	STATE TAXABLE GOODS	SALES TAX FREE GOODS	TAXABLE GOODS
MARCH-15	40000	3000	4500	40000	4500
APRIL-15	30000	4000	3500	15000	4000
MAY-15	70000	5000	5500	80000	2000
JUNE-15	50000	6000	6500	60000	3000
JULY-15	25000	7000	3000	25000	4000

(16)

Q.6) Write Short Notes on (Any Two)

a) SSI exemption Scheme under Central Excise Act
b) Types of Custom duties under Custom Act
c) Liability to tax on interstate Sales

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S.Y.P.G.D.F.M.

MAY 2016

Management Information and Control System

Con. 244-16. (Paper - VIII) **PM-4535**

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

NOTE:

1. **Attempt any FIVE questions.**
2. **All questions carry equal marks.**

1. Write a note on levels of management based on information requirements.
2. Explain different types of computers.
3. Explain different parts of a computer system with the help of a diagram.
4. Explain the organizational constraints in relation to a management control system.
5. Explain Planning, Control and Modelling stages.
6. List some output devices.
7. Write a note on types of information.
8. What are the limitations of MIS?

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