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

Con.397-17. Financial Management -(II) PS-5386 July 2017

(Paper-V)

(3 Hours) Total Marks: 100

N.B.

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

SECTION I

Q1. Your Company is considering investing in a project for which the investment data are as follows:

Capital Outlay: Rs. 2, 00,000. Depreciation charges: 20% p.a. Forecasted annual income after charging deprecation and after all other charges, except Tax.

	Rs.
First Year	1,40,000
Second Year	1,40,000
Third Year	1,20,000
Forth Year	1,20,000
Fifth Year	80,000
Total	6,00,000

In connection with the foregoing, you are asked to employ methods of measuring the return on the capital employed with a view to ascertain the value to the company of the proposed investment.

On the basis of the figures given above, set out calculations illustrating and comparing the methods based on Payback, NPV,IRR, Profitability Index .

Discounted cash flow at 9% discount factor.

Taxation may be assumed at 35%.

[TURN OVER

Q2. Good Shape Company has currently, an ordinary share capital of Rs. 25 lakhs, consisting of 25,000 shares of Rs. 100 each. The management is planning to raise another Rs. 20 Lakhs to finance major programme of expansion through one of four possible financing plans. **The plans are:**

(i) Entirely through ordinary shares.

(ii) Rs. 10 lakhs through ordinary shares and Rs. 10 lakhs through long – term borrowing at 8% interest per annum.

The company's expected earnings before interest and taxes (EBIT) will be Rs. 8 Lakhs. Assuming a corporate tax rate of 50% determine the earnings per shares (EPS) in each alternative.

Q3 In considering the most desirable capital structure of a company, the following estimates of the cost of debt and equity capital (after tax) have been made at various levels of debt-equity mix:

Debt as a percentage of Total Capital Employed	Cost of Debt %	Cost of Equity%
0	5	12
10	5	12
20	5	12.5
30	5.5	13.0
40	6	14
50	6.5	16.0
60	7.0	20

You are required to determine the optimal debt-equity mix for the company by calculating composite cost of capital.

Q4. Cost per unit Raw materials Rs. 50

Direct Labor	20
Overheads (including depreciation of Rs. 10)	40
Total cost	110
Profits	20
Selling price	130

Average raw material in stock is for one month. Average materials in work-in-progress is for half month. Credit allowed by suppliers; one month; credit allowed to debtors; one month. Average time lag in payment of wages; 10 days; average time lag in payment of overheads 30 days.

25% of the sales are on cash basis. Cash balance expected to be Rs. 1,00,000. Finished goods lie in the warehouse for one month. You are required to prepare a statement of the working capital needed to finance a level of the activity of 54,000 units of output. Production is carried on evenly throughout the year and wages and overheads accrue similarly. State your assumptions, if any, clearly.

Q5. Calculate the Degree of Operating Leverage (DOL), Degree of Financial Leverage (DFL) and the Degree of Combined Leverage (DCL) for the following firms and interpret the results.

	Firm K	Firm L	Firm M
Output units	60,000	15,000	1,00,000
Fixed costs	Rs.7000	14,000	1,500
Variable cost per unit	Rs.0.20	Rs.1.50	Rs.0.02
Interest on borrowings	Rs.4,000	Rs.8,000	-
Selling price per unit	Rs.0.60	Rs.5.00	Rs.0.10

SECTION II

Q6. What is meant by Leasing? What are the various types of lease.

Q7. What is meant by International Financial Management? How is it different from domestic finance.

Q8. Bring out the various causes of Industrial Sickness.

Q9. What are Short term Sources of funds

July 2017

asmi-D-FH 2017 36

Con. 360–17. Management Accounting (Paper-VI) PS-~~5425~~

(3 Hours) [Total Marks : 100

N.B. :(1) Question No. **1** is **compulsory**.

(2) Attempt any **three (3)** questions from Question No. **2** to **6** and any **1** question from Questions No. **7** to **9**.

(3) **All** questions carry **20** marks **each**.

(4) **Suitable** assumptions can be made if needed, working notes form part of your answer.

1. In respect of a factory, the following particulars have been extracted for the year 2016.

Cost of Materials	600000
Wages	500000
Factory Overheads	300000
Administration charges	336000
Selling charges	224000
Distribution charges	140000
Profit	420000

A work order has to be executed in 2017 and the estimated expenses are

Material	8000
Wages	5000

Assuming that in 2017, the rate of factory overheads has gone up by 20%, Administration charges have gone down by 10% and selling & distribution charges have gone each up by 15% , at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2016 ?

Factory overheads are based on wages. Admin, Selling & Distribution overheads are based on factory cost. Prepare the existing as well as estimated cost sheet.

2. 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.

Products	Standard		Actual	
	Units	Rate Per Unit	Units	Rate Per Unit
Fiama	15000	6	19000	5
Vivel	16000	7	15000	8
Superia	9000	8	14000	9

[TURN OVER

3. Varsha, Asha & Nisha are the three firms under the same management who want them to be merged for better operations. The details are as follows.

Firms	Varsha	Asha	Nisha
Capacity Operating at	100%	100%	100%
Turnover (Rupees in Lacs)	300	280	150
Variable Cost (Rupees in Lacs)	200	210	75
Fixed Cost (Rupees in Lacs)	70	50	62

In case the above three firms are merged together then there would be following changes in cost structure
Fixed Cost would reduce by 10 Lacs &
Variable cost would increase by 5% of the total turnover (Merged Turnover)
Find out the following in respect of Merged Plant

a. Marginal Cost Statement
b. Contribution
c. PV Ratio
d. Break Even Point in Rupees.

4. National Plastics Limited engaged in manufacturing Plastic Buckets is working at 40% capacity and produces 10000 buckets per month. The present cost break-up for one bucket is as under.

Material	Rs.10
Labour	Rs.03
Overheads	Rs.05 (60% Fixed)
Selling Price	Rs.20 Per Bucket

If it is decided to work the factory at 50% capacity, the selling price falls by 3%.
At 90% capacity the selling price falls by 5% accompanied by a similar fall in the price of materials
You are required to prepare a Marginal Cost Statement showing the profit at 50% and 90% capacities and also determine the break-even points (in units) at each of the production levels.

5. From the following information and the assumption that the balance in hand on 1st January is Rs.72,500. Prepare cash budget.

Month	Sales	Materials	Wages	Selling & Distri Cost	Production Cost	Admin Cost
Jan	72000	25000	10000	4000	6000	1500
Feb	97000	31000	12100	5000	6300	1700
Mar	86000	25500	10600	5500	6000	2000
Apr	88600	30600	25000	6700	6500	2200
May	102500	37000	22000	8500	8000	2500
June	108700	38800	23000	9000	8200	2500

5

Assume that 50% are cash sales. Assets are to be acquired in the month of February and April. Therefore provision should be made for the payment of Rs.40,000 and Rs.25,000 for the same. An application has been made to the Bank for the grant of loan of Rs.30,000 and it is hoped that it will be received in the month of May.

It is anticipated that a dividend of Rs.35,000 will be paid in June. Debtors are allowed 1 month credit. Sales Commission @2% on cash sales and 5% on cash collection from Debtors is to be paid. Creditors (for goods or overheads) grant one month credit.

6. Sneha Limited gives you the following cost details for manufacture of product Z at a capacity level of 20000 units

Particulars	**Amount**	**Nature of Variability**
Direct Material	1200000	100% variable
Direct Labour	800000	100% variable
Factory Overheads		
Lighting & Heating	480000	75% variable
Repairs & Maintenance	360000	50% variable
Depreciation	480000	100% fixed
Office Overheads	200000	10% variable
Selling & Distribution Overheads	300000	50% variable
Total	**3820000**	

Prepare a production cost budget for production of 15000 units and 25000 units, showing total cost and unit cost at each level.

7. Discuss in detail the tool of "Management Audit".

8. Explain the relationship between cost accounting, financial accounting and management accounting.

9. Write short notes on any **two** :–
   (a) Cost Audit
   (b) Activity Based Costing
   (c) Basic Elements of Cost
   (d) Standard Costing & Variance Analysis.

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

Con.398-17. Taxation - (Paper-XII) PS-5214 July 2017

(OLD COURSE)

MARKS:100 TIME:3 HOURS

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) Excisable Goods as per Excise Law
b) Goods as per Custom Law
c) Person in charge of vessel as per Custom Law
d) Dealer as per CST Law
e) Capital Goods as per CENVAT rules.

Q.2) Write Short Notes (Any Two) (16)
a) Provision of Turnover of SSI
b) Manufacture as per Central Excise Act
c) Captive consumption as per Excise Law.

OR

Q2.)Revati Industries, Mumbai produces a product, the cost of production is Rs.400 per unit, selling cost is Rs.70 per unit and profit is Rs. 140 per unit, the excise duty is @12.50%. (16)
During a month, the actual production was 1, 00,000 units. The discounts are offered to different class of buyers at varying rates. The disposal of goods was as follows:-

CLASS	QUANTITY	DISCOUNT (%) OF SALES PRICE
Distributor	45000	20%
Agent	17000	16%
Super Bazar	9000	10%
Retail Outlet	16000	5%
Foreigners	6000	15%

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

OR

Q3). P.C. TRADERS furnishes the following particulars of its sales and purchases in course of interstate trade during period January- March,2017;- (16)

	Rs.
Sales with C Form	3,40,000
Sales without C Form	90,000
Sales Return (with C Form) for Good sold in May 16	12,000
In NOV.16	20,000
Sales Return (without C Form)for goods sold in June16	6,000
Oct16	18,000

Rate of tax applicable as per local sales tax is 5%. Calculate CST payable.

[TURN OVER

Q.4) Explain Provisions as per Customs Law: (16)

a). Transshipment

b). Antidumping Duty

c). Tourist

d). Bill of Entry

OR

Q4.) On 1st MARCH, 2017 SACHIN COSMETICS Ltd., THANE imported a Specially Designed Machine from USA. The cost of Machinery comprised of (16)

Designing and development Cost	$1500
Production Cost	$ 8500
Transport cost to US port	$ 300
Freight from US port to Mumbai	$ 1750
Transit Insurance	$ 600
Freight from Mumbai to THANE	Rs. 10,000
Installation cost at THANE	Rs. 20,000

The landing charges at Mumbai @1% of CIF

1 USD=49 Rs. Basic duty @20% plus cess @ 3% CVD @10% PLUS CESS at 3%. Calculate the total duty payable and Cenvat Credit Available.

Q5. Explain the following with reference to Cenvat Credit Rules (16)

a. Utilization of Cenvat Credit
b. Exempted goods and services.
c. Eligible duties
d. Eligible documents for Cenvat credit.

OR

Q.5) M/S ASHISH Industries received the following articles during MARCH, 2017: (16)

Raw materials	6,00,000
Lubricating Oil	70,000
Diesel	2,40,000
Quality Testing Machine	3,00,000
Pollution Control	1,50,000
Packing Materials	1,80,000
Processing Materials	2,20,000
Office Equipment	2,90,000

The Excise duty is @12.5%.

Calculate total CENVAT Credit available.

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

a) Penultimate Sale under Central Sales Tax Act

b) Types of Custom Duty under Custom Act

c) Personal Ledger Account under Central Excise.

(REVISED COURSE)

MARKS:100 TIME:3 HOURS

NB:1). All questions are compulsory.
2) Figures to the right indicate full marks.
3) Working notes form part of answer.

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Installation cost at THANE	Rs. 20,000

The landing charges at Mumbai @1% of CIF

1 USD=49 Rs. Basic duty @20% plus cess @ 3% CVD @10% PLUS CESS at 3%. Calculate the total duty payable and Cenvat Credit Available.

Q5.) Explain the following provisions as per MVAT

a) Sale Price

b) Turnover limit

c) Registration

d) Dealer

OR

Q.5) The following information regarding the turnover of Purchases and Sales transaction is submitted by XYZ, who started business on 1st March, 2016.Find out whether as per the provision of the MVAT Act, 2002 it is liable for registration and payment. (16)

	PURCHASE			SALES	
	WITH IN STATE	OUTSIDE THE STATE			
	TAX FREE GOODS	TAX FREE GOODS	TAXABLE GOODS	TAX FREE GOODS	TAXABLE GOODS
MARCH-16	35000	3000	4800	45000	4700
APRIL-16	39000	4000	3900	19000	4500
MAY-16	75000	5000	6000	88000	2500
JUNE-16	55000	6000	7000	60000	3000
JULY-16	30000	7000	3000	25000	4000

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a) Penultimate Sale under Central Sales Tax Act

b) Types of Custom Duty under Custom Act

c) Personal Ledger Account under Central Excise.

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

July 2017

asmi-D-FH 2017 33

Con. 362-17. Management information and control system

PS-5396

(3 Hours) [Total Marks : 100

N.B. :(1) Attempt any **five** questions.
(2) **All** questions carry **equal** marks.

1. Explain various types of information in Management Information Control System Applications. **20**

2. Write purpose and significance of MIS. **20**

3. Explain various parts of computer and various output devices. **20**

4. Write importance of Planning, Modelling and Forecasting. **20**

5. How to overcome limitation of MIS. **20**

6. Explain various organizational constraints. **20**

7. Explain communication devices and different types of software. **20**

8. Explain significance of standards as a measure of performance. **20**
