


Name:	 UPES <small>UNIVERSITY OF TOMORROW</small>
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2023

Course : Financial Management

Semester : 2nd

Program: B Com LLB (H)

Time : 03 hrs.

Course Code :CLNL2016

Max. Marks: 100

Instructions: All questions are compulsory

SECTION A
5Q x 2M = 10Marks

S. No.		Marks	CO
Q1	It is a facility in which account holder can withdraw more amount than the balance in his/her account. a. Saving account. b. Deposit account. c. Overdraft. d. None of these.	2	1
Q2	Current liabilities are paid within a period of year. a. One. b. Two. c. Three. d. Four.	2	1
Q3	Venture capital is a form of financing in which one person provides assistance and the other gives technical support. a. Financial b. Commercial c. Business d. None of these	2	1
Q4	RBI regulates system of a country. a. Indian b. Financial c. Both and b c. Banking	2	1
Q5 is a Non banking financial institution. a. India bulls. b. DHFL. c. Bajaj finance. d. All of these.	2	1

SECTION B
4Q x 5M = 20 Marks

Q6	A company purchased a machinery for Rs.2,00,000. Its annual	5	2
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	cash inflows are Rs.40,000 per year. Find the payback period.			
Q7	X limited issued 5,000 15% debentures of Rs.200 each at a discount of 10%. The cost of issuing these debentures is Rs.20,000. These debentures are redeemable after 4 years at a premium of 10%. Find the cost of debt capital before tax and after tax if the rate of tax is 20%.	5	2	
Q8	What are the factors which determine capital structure of an organization.	5	2	
Q9	Explain the concept of receivables management.	5	2	
SECTION-C 2Q x 10M = 20 Marks				
Q10	A large number of transactions are settled in batches when the funds are to be transferred to different accounts. Explain the concept involved in this statement.	10	3	
Q11	Write short notes on a. Fixed capital. b. Liquidity.	10	3	
SECTION-D 2Q x 25M = 50 Marks				
Q12	A company provided the following data		25	4
	Particulars	Cost per unit (in Rs.)		
	Raw materials	52.00		
	Direct labour	19.50		
	Overheads	39.00		
	Total cost	<u>110.50</u>		
	Profit	19.50		
	Selling price	<u>130.00</u>		
The following additional information is available Average raw materials in stock: one month; average materials in process: half-a-month; average finished goods in stock: one month; credit allowed by suppliers: one month; credit allowed to debtors: two months; time lag in payment of wages: one and a half weeks; and overheads: one month. One-fourth of sales are on cash basis. Cash balance is expected to be Rs.				

	<p>1,20,000.</p> <p>You are required to prepare a statement showing the working capital needed to finance a level of activity of 70,000 units of annual output.</p>		
Q13	<p>The sales of a company is 5,000 units and the Selling Price is Rs.100 per unit and the variable cost is Rs.30 per unit. The fixed cost is Rs. 10,000 and the interest to be paid is Rs. 2,000. The tax rate applicable is 30%. Prepare income statement and calculate all types of leverages.</p>	25	4