

35

SVKM'S NMIMS

Shobhaben Pratapbhai Patel / School of Pharmacy & Technology Management

Programme: B. Pharm + MBA ✓

Year: III

Semester: V ✓

Academic Year: 2019-20

Marks: 50 ✓

Subject: Financial Management I ✓

Time: 10.00 am to 12.00 noon

Duration: 2 hrs. ✓

Date: 19 November 2019 ✓

No. of Pages : 3

FINAL EXAMINATION

Final Examination

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

- 1) Question No. 1 is compulsory (Section I)
- 2) Out of remaining questions, attempt any 3 questions (Section II)
- 3) In all 4 questions to be attempted
- 4) Answer to each new question to be started on a fresh page
- 5) Figures in brackets on the right hand side indicate full marks
- 6) Assume suitable data if necessary.

Section I (20 Marks)

Q1(a). Prepare Cash Budget from Jan 2019 to April 2019. Opening Cash balance is Rs. 45000 (10 Marks)

Particulars	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Sales	2,80,000	1,67,000	3,10,000	2,24,000	1,47,000	1,86,000	2,05,000	1,86,000	80,000
Purchases 80% of Sales payable after 1 month Commission 5% of Credit sales payable after 2 months Cash Sales 30% Credit Sales 50% receivable after 3 months Balance Sales money received 2 months in advance Manufacturing expenses 10% of Sales payable in same month Maintenance expenses 5% of sales payable fortnightly on 1st and 16th of the month Any cash balance above Rs. 25000 to be transferred to investment and deficit to borrowed At any given point in time minimum cash balance of Rs. 25000 to be maintained									

Q1(b) Provided herewith information regarding use of materials. You are required to calculate the Cost Variance, Usage Variance and Price variance – Total and Individual Material wise. Indicate the steps organization needs to initiate after computing variances. (10 Marks)

Particulars	Standard		Actual	
	Price	Units	Price	Units
X	65	100	62	120
Y	75	80	76	90
Z	90	120	88	100

Section II (30 Marks)

Q2. Prepare the cost sheet on the basis of following information. Indicate the Prime Cost, Factory Cost, Cost of Production, Cost of Goods Sold and Cost of Sales- **(10 Marks)**

Particulars	Rs.
Opening Stock of finished goods	60000
Opening Work-in-progress	25000
Opening Stock of Raw Materials	95000
Purchase of Raw Materials	555000
Direct Wages	95000
Carriage inward	25000
Indirect wages	43000
Other Factory Expenses	32000
Closing Stock of Raw Material	30000
Closing Stock of Finished Goods	43000
Closing Stock of Work in Progress	31000
Office and Administrative overhead	64000
Selling and Distribution overhead	62000
Carriage Outward	17000
Factory manager's Salary	45000
Director Salary (30% Factory, Balance Administrative)	90000

Q3. Provided herewith the Financial Statements of AJ Pharma Limited and PJ Pharma Limited. You are required to calculate any 10 ratios under the category of Profitability, Speed of Business, Leverage, Liquidity and Utilization of Assets. Also present overall analysis comments in 2-3 sentences. **(10 Marks)**

Income Statement Details	AJ	PJ
Revenue	1430	1568
Expenses		
Material Costs	335	465
Employee Benefits	235	252
Other Operating Expenses	211	234
Depreciation	50	56
Finance Costs	70	110
Taxation	65	46

Balance Sheet Data	AJ	PJ
Equity and Reserves	356	857
Long Term Liabilities	178	170
Current Liabilities	297	198
Total Liabilities	831	1225
Fixed Assets	588	489
Investments	87	91
Current Assets	156	645
Total Assets	831	1225
Details of Current Assets		
Inventory	121	286
Receivables	35	256
Other current Assets	0	103
	156	645

Q4. Record Journal Entries, Post Ledger and Prepare Summary Trial Balance for the following transactions of Mr. Kamal Mehta of Quantum Associates- (10 Marks).

- Initial investment of capital of Rs. 285000 in the business
- Purchase of Material of Rs. 95000 by paying cash
- Payment of Salary to Ms. Komal of Rs. 45000 in cash
- Payment of Office Equipment Rentals to Ms. Kavita of Rs. 12000 in cash
- Purchase of Photocopy Machine of Rs. 65000 by paying cash
- Sales of entire Finished Goods to Mr. Karan for Rs. 246000
- Collection of Rs. 150000 from Mr. Karan

Q5 Write Short Notes on any 2 with suitable examples (10 marks)

- a) Key Accounting Assumptions
 - b) Importance of Contribution in performance management
 - c) Relevant Costs
-