

18/11/2022

Time: 3 hours

Marks: 100

- Note: 1. All questions are compulsory
2. Figures to the right indicate full marks.

Q.1 (A) Fill in the Blanks with appropriate words and rewrite the same. (Any 10) 10 marks

1. The lower level management requires _____ skill more than other skills. (Technical, Human, Legal, Conceptual)
2. _____ is a systematized body of knowledge that is universally accepted. (Art, Science, Profession, Planning)
3. _____ is known as the Father of Modern Management. (Henry Fayol, F.W. Taylor, Robert Kahn, W.G. Scott)
4. _____ Plans are meant for repeated use. (Forecast, Decision, Single use, Standing)
5. In _____ both superior and subordinate collectively formulate the plans. (Decision Making, Management by Objectives, Span of Control, Delegation of Authority)
6. _____ is a process of identifying and selecting a course of action to solve a specific problem. (Directing, Communicating, Decision Making, Leading)
7. In _____ organization people are consciously coordinated towards achieving a common goal. (Informal, Formal, Traditional, Department)
8. _____ is a number of subordinates who can be supervised and managed effectively. (Delegation of authority, Departmentation, Leadership, Span of control)
9. Unity of _____ implies one subordinate should receive instructions from one superior. (Direction, Objective, Command, Control)
10. _____ is concerned with the measurement of the cost and value of people in the organization. (HRP, HRA, Job Analysis, Motivation)
11. _____ is a process of evaluating the work performance of employees. (MBO, Delegation of authority, Performance appraisal, Recruitment)
12. _____ is the first step in the selection process. (Job analysis, Recruitment, Staffing, Advertising)

Q. 1(B) State whether the following statements are True or False. (Any 10) 10 marks

1. Management is a social science. ✓
2. Theory Y assumes that the people are self-motivated and seek responsibilities. ✓
3. Contingency approach is also known as situational approach. ✓
4. Objectives are single use plans. ✓
5. Corporate planning is related with a specific department planning. ✓
6. Planning is secondary function of management. ✓
7. Matrix organization structure is also known as hybrid structure. ✓
8. In delegation of authority, superior transfers both authority and responsibility to his subordinate. ✓

9. Virtual organization is temporary in nature.
10. Job description includes minimum qualities required from the candidate.
11. Campus recruitment is an internal source of management.
12. Refresher training includes the introduction of a person to the job and to the organization.

Q.2 Answer any two of the following (15 marks)

- a) Define management. Discuss different managerial skills.
- b) Describe the administrative approach of management.
- c) Discuss different functions of management.

Q.3 Answer any two of the following (15 marks)

- a) State and explain the meaning and merits of planning.
- b) Briefly explain the components of planning.
- c) Describe the steps in the decision-making process

Q.4 Answer any two of the following (15 marks)

- a) Define Organizing. Discuss its principles.
- b) Explain the bases of departmentation.
- c) Describe the barriers in the delegation of authority.

Q.5 Answer any two of the following (15 marks)

- a) Discuss the merits and demerits of Human Resource Accounting (HRA)
- b) State and explain the different methods of training.
- c) Describe techniques of performance appraisal.

Q.6 Write Short Notes on :(Any four) (20 marks)

- a) Management as an art
- b) Characteristics of Planning
- c) Advantages of Strategic Business Unit
- d) Features of Matrix Organisation
- e) Internal Sources of recruitment
- f) Importance of job analysis

Sem - V (32)

Paper / Subject Code: 23108 / Business Management Paper - II

19/11/2022

Time: 3 Hrs

Marks: 100

- NB: 1 All questions are compulsory with internal options.
- 2 Q. 1 and Q.6 carry 20 Marks and Q.2 to Q.5 carry 15 Marks each.
- 3 Working note from a part of the answer and have to be solved after Questions and not on the last page of the answer sheet.

Q. 1 A Choose the appropriate answer from the following (Any Ten) 10

i To achieve wealth maximization, the finance manager has to take careful decision in respect of _____.

- (a) Investment (b) Financing
- (b) Dividend (d) All of the above

ii. The objective of financial management is to _____.

- (a) Maximise the revenues (b) Minimise the expenses
- (b) Maximise the return on investment (d) Minimise the risk

iii. In the notes on fixed assets of a company, closing WDV + Depreciation for the year is equal to _____.

- (a) Opening Gross Block (b) Opening WDV
- (c) Closing WDV (d) Closing Gross Block

iv. Following are examples of vertical analysis _____.

- (a) Ratio Analysis (b) Cash flow statement
- (c) Trend percentages (d) (a) & (b)

v. Following is not a quick asset _____.

- (a) Loose tools (b) Advance tax
- (c) Bills Receivable (d) Interest Accrued

vi. X Ltd presented the following information

- a) Shareholders fund 12,50,000
- b) Loan Fund 10,50,000
- c) Fixed Assets 9,50,000
- d) Investments. 10,00,000
- e) Net Current assets 3,50,000

vii) The total of the balance sheet under vertical analytical format is _____.

- (a) 22,00,000 (b) 23,00,000
- (c) 24,00,000 (d) 25,00,000

vii. Capital Gearing Ratio is _____

- (a) Balance Sheet Ratio (b) Revenue Statement ratio
(c) Composite Ratio (d) Functional Ratio

viii. Commercial paper is a type of _____

- (a) Fixed coupon bonds (b) Unsecured short term debt
(c) Equity share capital (d) Government bond

ix. Which of the following is not a spontaneous source of short term funds.

- (a) Trade Credit (b) Accrued Expenses
(c) Provision for Dividend (d) All of the above

x. Commercial paper are generally issued as a prices _____

- (a) Equal to Face Value (b) More the than face value
(c) Less than the face value (d) Equal to redemption value

xi. Refund of income tax is _____

- (a) Cash Inflow from investing activities (b) Cash Inflow from financing activities
(c) Cash Inflow from operating activities (d) Cash outflow from operating activities

xii. For the purpose of cash flow statement cash _____

- (a) includes only cash (b) Include cash and saving account with bank
(c) Include cash and current account with bank (d) Includes Cash , saving account as well as current account with bank

Q. 1 B) State whether the following statements are True or False (any Ten)

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- i. The wealth of corporate owners is measured by the share price of the stock.
ii. Owned funds is an Internal source of finance.
iii. One of the few assets that is not usually depreciated is Plant and Machinery.
iv. Dividend can be paid out of capital but interest cannot be paid out of capital.
v. Common size analysis is used for comparing performance of the company in one year with that of another year.
vi. High stock Turnover ratio indicates high cost of Goods sold
vii. High Proprietary ratio indicates low risk for the creditors.
viii. In India, all types of short term financing from banks must be secured.

- ix. Bill discounting is a good source of short term finance to all firms. ✓
 x. The statement of cash flows shows the relationship of assets to cash flows. ✓
 xi. Cash equivalent includes investments that cannot be readily converted in to cash. ✓
 xii. Increase in current assets will always result in inflow of cash. ✓

Q.2 Following is the balance sheet of Silver Ltd. as on 31st March, 2022. You are required to re arrange the balance sheet in vertical form to show the following.

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a) Propriitor 's Funds	b) Borrowed Fund	c) Fictitious Assets	
d) Intangible assets	e) Quick Liabilities	f) Working capital	
Liabilities	Amount	Assets	Amount
Equity Share Capital ✓	4,50,000	Goodwill	35,000
Share Premium ✓	45,000	Land & Buildings ✓	2,75,000
General reserves ✓	1,60,500	Plant & Machinery ✓	3,60,800
Profit and Loss ✓	1,28,500	Furniture & Fixtures ✓	1,28,200
12% Debentures ✓	2,60,000	Long term Investment	1,75,000
Bank Loan ✓	1,50,000	Short term Investment	48,500
Bank Overdraft ✓	49,800	Sundry Debtors ✓	1,69,700
Creditors	68,000	Bills receivable ✓	12,500
Bills Payable ✓	5,400	Closing Stock	98,000
Provision for tax ✓	35,800	Prepaid Expense	27,500
Outstanding expenses ✓	17,000	Cash Balance	29,300
		Preliminary Expenses ✓	10,500
Total	13,70,000	Total	13,70,000

OR

Q.2 Following is the Trial Balance of EKNATH Ltd. as on 31st March, 2022.

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Debit balance	Amount	Credit baance	Amount
Stocks (at cost)	5,00,000	Share Capital (Equity shares of Rs.100 each)	20,00,000
Fixed Assets (Net Block)	12,35,000	General reserves	70,000
Sundry Debtors (Unsecured & good)	4,00,000	Loans from State-Financial Corp.	3,00,000
Staff Advance	97,400	Provision for taxation	11,000
Cash on hand	60,000	Net Profit for the year	2,70,000
Bank balance	4,94,000	Profit and Loss A/c (Opening balance)	1,00,000
Share issue Expenses	26,600	Short Term Loans	50,000
Bills Receivable – Trade	58,000	Sundry Creditors	1,40,000
Investment (at cost)	75,000	Unclaimed Dividend	5,000
Total	29,46,000	Total	29,46,000

Paper / Subject Code: 23108 / Business Management Paper - II

Additional Information:

1. Transfer to General Reserve Rs. 50,000.
2. Directors recommended 6% dividend.
3. Out of debtors, debts due for more than six months were Rs. 52,000.
4. Sundry Creditors included creditors for goods Rs. 1,05,000 , while the remaining are for expenses .
5. Loan from state financial corporation is secured against stock.
6. Market value of investments is Rs. 78,000 while its face value is Rs. 60,000.
7. Ignore previous year's figures and corporate dividend tax.

Prepare balance sheet as on 31st March, 2022 as per legal requirement, after considering the above adjustments.

Q.3 You are furnished with the following revenue statements for the year ended 15 31st March. You are asked to prepare the Trend Analysis.

Particulars	2019	2020	2021	2022
Sales	50,00,000	60,00,000	72,00,000	86,40,000
Less : Cost of Sales	32,00,000	38,00,000	46,00,000	56,00,000
Gross Margin	18,00,000	22,00,000	26,00,000	30,40,000
Management Expenses	3,00,000	3,50,000	4,00,000	4,50,000
Sales Expenses	5,00,000	6,00,000	7,20,000	8,64,000
Interest on Borrowings	3,00,000	4,00,000	5,00,000	6,00,000
Total Expenses	11,00,000	13,50,000	16,20,000	19,14,000
Net Profit before Depreciation & Taxation	7,00,000	8,50,000	9,80,000	11,26,000
Depreciation	5,00,000	4,50,000	6,00,000	6,50,000
Profit before Taxation	2,00,000	4,00,000	3,80,000	4,76,000
Income Tax	80,000	2,00,000	1,85,000	2,40,000
Profit after Tax	1,20,000	2,00,000	1,95,000	2,36,000

OR

Q.3 Prepare a common size Balance sheet in vertical form from the following details. 15

Balance sheet of M/s Ashok Ltd as on 31st March, 2022

Liabilities	Amount	Assets	Amount
Equity Share Capital	2,50,000	Land & Building	2,00,000
10% Preference Share Capital	1,50,000	Machinery	2,50,000
General Reserves	2,00,000	Furniture	2,00,000
8% Debentures	1,50,000	Investment	90,000
Creditor s	1,00,000	Stocks	35,000
Bills Payables	50,000	Debtors	50,000
		Cash	40,000
		Bills receivable	30,000
		Preliminary Expenses	5,000
Total	9,00,000	Total	9,00,000

Q.4 Calculate the following ratios. 15

- | | | |
|----------------------|-------------------------|---------------------|
| a) Current ratio | b) Stock Turnover Ratio | c) Liquidity Ratio |
| d) Debt Equity Ratio | e) Gross Profit Ratio | f) Net profit Ratio |

Balance sheet as at 31st March, 2022

Liabilities	Amount	Assets	Amount
Bills Payable	25,000	Fixed Assets	1,25,000
Sundry Creditors	50,000	Sundry Debtors	50,000
Debentures	1,00,000	Bank Balance	25,000
Reserves	50,000	Inventory	1,25,000
Equity Share Capital	50,000		
Preference Share Capital	50,000		
Total	3,25,000	Total	3,25,000

Profit and Loss Account for the year ended 31st March, 2022

Particulars	Amount	Particulars	Amount
To Opening inventories	75,000	By Sales	5,00,000
To Purchases	1,50,000	By Closing Inventories	1,25,000
To Manufacturing Expenses	50,000	By Profit on sale of shares	25,000
To Direct Expenses	1,00,000		
To Administrative Expenses	25,000		
To Selling Expenses	25,000		
To Loss on Sale of assets	27,500		
To Interest on Debentures	5,000		
To Net Profit	1,92,500		
Total	6,50,000	Total	6,50,000

OR

Q.4 Following is, the balance sheet of X Ltd as on 31st March, 2022 together with supplementary information for the year ended on that date.

15

You are required to compute the following ratios.

- a) Current Ratio b) Liquid Ratio c) Proprietary Ratio
d) Stock Turnover ratio e) Debtors turnover ratio

Balance Sheet as on 31st March, 2022

Liabilities	Amount	Assets	Amount
Paid-up share capital	2,00,000	Goodwill	30,000
Reserves	50,500	Building	1,20,000
Profit and Loss A/c	12,250	Plant and Machinery	29,000
Bank Overdraft	11,250	Stock	66,000
Sundry Creditor	36,000	Debtors	85,000
Provision for taxation	20,000		
Total	3,30,000	Total	3,30,000

Handwritten signature and initials:
 ✓
 Devesh Chandra
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Paper / Subject Code: 23108 / Business Management Paper - II

Additional information :

Particulars	Amount
Sales for the year	8,40,000
Stock on 31 st March, 2021	60,000
Gross profit	21,000

Q.5 From the following summary balance sheet of Zebra Ltd. Prepare a cash flow statement as per AS-3 for the year ended 31st March, 2022 by indirect method.

Liabilities	2021	2022	Assets	2021	2022
Equity Share Capital	2,00,000	2,50,000	Fixed Assets	3,02,500	2,85,000
10% Preference Share Capital	1,00,000	-	Debtors	60,000	70,000
5% Debentures	-	50,000	Stock	1,00,000	90,000
Capital Redemption Reserve	-	50,000	Bank	45,000	30,000
Profit & Loss A/c	1,25,000	30,000	Preliminary expenditure	30,000	20,000
Creditors	75,000	70,000			
Bills Payable	37,500	45,000			
Total	5,37,500	4,95,000	Total	5,37,500	4,95,000

Additional Information

- Preference shares were redeemed at 10% premium on 1-10-2021 with half yearly dividend.
- Fixed assets were purchased for 97,500/- on 01-01-2022.
- Interim dividend of Rs. 20,000/- on equity shares was paid.
- Fixed Assets having original cost of Rs. 1,00,000 on which accumulated depreciation was Rs. 30,000/- was sold on 31st December, 2021 at Rs. 40,000/-

OR

Q.5 Prepare cash flow statement from the following summary balance sheet of Ritish Ltd.

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Balance Sheet as on 31st March

Liabilities	2022	2021	Assets	2022	2021
Creditors	25,000	32,000	Cash	2,000	-
Reserves	23,000	47,000	Debtors	45,000	60,000
Debentures	60,000	50,000	Stocks	45,000	55,000
Outstanding expenses	6,000	6,000	Prepaid Expenses	4,000	3,000
Share Capital	1,33,000	1,14,000	Investments	27,000	20,000
Bank Overdraft	-	12,000	Staff Loan	4,000	3,000
			Fixed Assets	1,20,000	1,20,000
Total	2,47,000	2,61,000	Total	2,47,000	2,61,000

Paper / Subject Code: 23108 / Business Management Paper - II

Additional Information:

1. Balance of Depreciation A/c as at 1-04-2021 and 1-04-2022 was 15,000/- and 20,000/- respectively.
2. Machinery of Rs.5,000/- on which depreciation of Rs. 1,000/- was charged was sold for 4,500/-
3. Staff loan of Rs. 1,000/- were written off during the year.

Q.6 a) Explain the functions of Chief Financial Officer.

b) What is Business Finance? Classify sources of finance.

10
10

OR

Q.6) Write short notes on (any four).

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- a) Cash flow from financing activity.
- b) Income Statement ratios.
- c) Importance of financial management.
- d) Wealth Maximisation
- e) Common size statement
- f) Net worth.

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