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**B.M.S COLLEGE FOR WOMEN**  
BENGALURU – 560004

V SEMESTER END EXAMINATION – JAN/FEB - 2024

**B.Voc. R.M. – FINANCIAL MANAGEMENT**  
(NEP Scheme 2021-22 Onwards)

Course Code: BVRM5DSC15

Duration: 2 ½ Hours

QP Code: 5044

Max. Marks: 60

*Instructions: Answer all the sections.*

**SECTION-A**

**I. Answer any Five of the following questions. Each question carries Two Marks. (5X2=10)**

- What is Financial Management?
- What is Annuity?
- What is Financial Leverage?
- Mention any two steps in Financial Planning.
- What is accept and reject criteria in NPV?
- The earnings after tax is ₹12,30,000, income tax rate is 38.5% and interest is ₹ 4,00,000. Find out EBIT
- What is Net Working Capital?

**SECTION-B**

**II. Answer any Four of the following question. Each question carries Five Marks. (4X5=20)**

- “Financial Management is Indispensable in any organization”. Bring out its importance.
- Financial planning is concerned with future. Do you agree?
- Determine three types of leverages from the following information.
  - Selling price per unit Rs 250
  - Variable cost 30%
  - Fixed cost Rs 6,25,000
  - 10% Debt capital Rs 5,00,000
  - No. of units sold Rs 25,000
- Evergreen Co. is willing to purchase a machinery. The cost of each machine is 6,00,000. Two machines sunrise and raising sun are available. Cash inflows are expected to be as under. Calculate payback period.

Year	1	2	3	4	5
Sunrise	1,80,000	2,40,000	3,00,000	1,80,000	1,20,00
Raising sun	60,000	1,80,000	2,40,000	3,60,000	2,40,000

- What is Dividend? Explain various forms of dividends.

### SECTION- C

**III. Answer any Two of the following question. Each question carries Twelve Marks. (2X12=24)**

7. What is working capital? Describe the need and determinants of working capital.
8. Arun Ice-cream factory is considering to an automated machine for its routine operations. The management has identified two models. Further details are given below:

Sl.No.	Particulars	Model 'M'	Model 'N'
1.	Cost of Machine	1,80,000	3.60,000
2.	Estimated Life	4 years	5 Years
3.	Estimated saving in scrap	10,000	15.000
4.	Estimated savings in Wages	1,20,000	1,50,000
5.	Additional cost of maintenance	10,000	12,000
6.	Additional cost of Supervision	5000	8000
7.	Tax Rate	50%	50%
8.	Depreciation	10%	10%

You are required to calculate Pay-back period and suggest the management on the acceptability of these machines.

9. Blue Moon Electronics Ltd. Is considering purchase of a new machine. Two machines are available, each costing Rs. 3,00,000. In comparing the profitability of these two machines a discount rate of 10% is to be used. Earning after tax are expected to be used. Earning after tax are expected to be as follows.

YEAR	CASH INFLOWS MACHINE-I	CASH INFLOWS MACHINE-II
1.	90,000	30,000
2.	1,20,000	90,000
3.	1,50,000	1,20,000
4.	90,000	1,80,000
5.	60,000	1,80,000

You are also given the following Information

The present value of [Re.1 @ 10%](#) discount rate is as follows

YEAR	1	2	3	4	5
Discount Factor	0.909	0.826	0.751	0.683	0.621

Evaluate the proposals under (1) Accounting Rate of Return (2) Net Present Value

### SECTION- D

**IV. Answer any One of the following questions carries Six Marks. (1X6=6)**

10. Draw the organization chart of finance function of a company.
11. Using Imaginary figures prepare an estimate of working capital requirements.

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