

00881 **B.Sc. FASHION MERCHANDIZING & RETAIL
MANAGEMENT (BSCFMRM)**

Term-End Examination

December, 2012

BFW-023 : FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 70

Note : Attempt any five question. All questions carry equal marks.

1. The following information is obtained from the book's of a manufacturing concern for the month of April 2006. Prepare a cost sheet from the following data. 14
- | | |
|---|---|
| Direct Material | Rs. 6,20,000 |
| Direct Wages | Rs. 2,40,000 |
| Direct Expenses | Rs. 30,000 |
| Factory overhead's (50% of prime cost) | |
| Office overhead's _____ | Rs. 1.50 per unit |
| Selling overhead's _____ | 10% of sales |
| Opening stock of finished good's (15,000 units) | |
| _____ | Rs.2,13,000. Closing stock of finished goods (10,000 units) ? |
| Sales (1,20,000 unit's) _____ | Rs. 25 per unit. |

2. (a) What is cost ? What are the element's of cost ? Explain the method of computation of cost sheet. 7+7=14
- (b) What is process costing ? How Process costing is different from job costing ? Explain the procedure to calculate the abnormal loss in process costing.
- 3 (a) What is break-even analysis ? Also write its assumptions. Draw the graph of break-even analysis with imaginary figures. 7+7=14
- (b) Define Financial Management. Explain briefly any four major roles of financial management.
4. The following data are related to the manufacture of a standard product during the month of Jan. 14
- | | |
|---|---------------|
| Opening stock of raw material | Rs. 20,000 |
| Purchases | Rs. 1,50,000 |
| Closing stock of raw material | Rs. 11,500 |
| Direct labour | Rs. 60,000 |
| Factory overhead (40% of direct labour) | |
| Office overhead | Rs. 27,500 |
| Opening stock of finished good's (500 units at Rs. 11.20 per unit) | |
| Closing stock of finished good's (1500 units at current cost price) | |
| Profit on sales | 20% |
| Selling and distribution Expenses-Rs. | 20,000 |
| Units produced | 25,000 units. |

5. The following data relate to the working of a factory at Noida for the current year. 14

Capacity Worked : 50%

Fixed Cost :

Salary	Rs. 84,000
Rent	Rs. 56,000
Depreciation	Rs. 70,000
Other administrative Exp.	<u>Rs. 80,000</u>
	Rs. 2,90,000

Variable Cost :

Material's	Rs. 2,40,000
Labour	Rs. 2,56,000
Other Exp.	<u>Rs. 38,000</u>
	Rs. 5,34,000

Possible sale's at various level of working are

Capacity	Sale's
60%	Rs. 9,50,000
75%	Rs. 11,50,000
90%	Rs. 13,75,000
100%	Rs. 15,25,000

Prepare a flexible budget and show the forecast of profit at 60%, 75%, 90% and 100% capacity operations.

6. You are given the following data :

Fixed expenses ----- Rs. 4000

Break-even point----- Rs. 10,000

Calculate :

1. P/V ratio
 2. Profit when sales are Rs. 20,000
 3. New break even point if selling price is reduced by 20%.
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