No. of Printed Pages : 3

BFW-023

B.Sc. FASHION MERCHANDISING AND RETAIL MANAGEMENT (BSCFMRM)

Term-End Examination

00199

December, 2014

BFW-023 : FINANCIAL MANAGEMENT

Time : 3 hours *Maximum Marks : 70*

Note : *Attempt **all** questions. All questions carry equal marks.*

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1. The output of Process X transferred to Process Y was 2,500 units. Normal loss was 10% of input in Process X and was 300 units. Abnormal loss was reported to be 200 units. The other information is as follows :

   Material introduced @ 5 per unit, labour cost ₹ 4,000 and overhead ₹ 3,350. Normal loss realised ₹ 2·50 per unit.

   You are required to prepare

   (i) Process X's A/c

   (ii) Abnormal Loss Account *10*

2. What is Financial Management ? Explain the objectives of Financial Management. *10*

3. What are the main sources of funds ? Explain any three with their merits and demerits. *10*

4. What is Cash Budget ? What are the objectives to prepare the Cash Budget ? Explain the motives for holding cash. *10*

5. HMT sold in two successive years 7,000 and 9,000 units and incurred a loss of ₹ 10,000 and earned ₹ 10,000 as profit respectively. The selling price per unit is ₹ 100. Calculate

(i) the amount of fixed cost.

(ii) the number of units to break-even.

(iii) the number of units to earn a profit of ₹ 50,000. *10*

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

Capacity worked 50%

Fixed cost	**(₹)**	
Salary	84,000	
Rent	56,000	
Depreciation	70,000	
Admin. Exp.	80,000	
		2,90,000
Variable cost	**(₹)**	
Material	2,40,000	
Labour	2,56,000	
Other Exp.	38,000	
		5,34,000

Possible sales at various levels of working are

Capacity	**Sales**
60%	9,50,000
75%	11,50,000
90%	13,75,000
100%	15,25,000

Prepare a Flexible Budget and show the forecast of profit at 60%, 75% and 90%. *10*

7. The following information is obtained from the books of a manufacturing concern for the month of April, 2008 :

	(₹)
Direct Material	8,20,000
Direct Wages	2,40,000
Direct Expenses	20,000

Factory overhead — (50% of prime cost).

Office overheads ₹ 1·50 per unit.

Selling and distribution overheads — 10% of sales.

Opening stock of finished goods — (15,000 units) 2,13,000.

Closing stock of finished goods — (10,000 units).

Sales (1,25,000 units) — @ 20 per unit.

Prepare a Cost Sheet. *10*