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

Term-End Examination

June, 2012

BFW-023 : FINANCIAL MANAGEMENT

Time : 3 hours

Maximum Marks : 70

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

1. (a) What do you meant by Financial Management ? Explain the objectives of financial management. **7+7**
(b) What is Cash Budget ? What are the objectives to prepare the Cash Budget ? Explain the motives to hold cash in an organisation.
2. What are the main sources of funds ? Explain **7+7** *any three* sources with their merits and demerits.
3. Prepare an estimate of cash position during. **14**
The three Month's-April to June, 1998. With the help of following information.

Opening Balance of cash in hand Rs. 12500 on
1st April, 1998.

Month	Sale	Purchase	Wages	Expenses
February	35,000	20,000	4,000	3,000
March	40,000	25,000	4,000	3,500
April	46,000	26,000	4,500	3,500
May	50,000	30,000	5,000	4,000
June	60,000	27,500	6,000	4,500

- (a) 30% purchase on cash and period of credit allowed to suppliers for credit purchase in two month.
- (b) Leg in payment of wages in $\frac{1}{2}$ month.
- (c) Leg in Payment of Expenses in 1 Month.
- (d) Income tax of Rs. 12500 to be Paid in June.
- (e) 25% of Sale are for cash and 50% of 75% are paid month following of cash Sales and rest amount in paid two month following of cash sale's.
4. Prepare Cost Sheet. Find out Profit and Cost Per Unit of production from the following information's. 14
- Raw Material consumed - Rs. 1,50,000
- Productive Wages - Rs. 90,000
- Factory overheads - Rs. 20,000
- Office overhead's - Rs 10% of factory cost.
- Selling overhead's - 20% of office overhead.
- Unit's Produced - 4000 unit's
- Unit Sold - 3600 unit's
- Selling Price - Rs. 100 per unit.

5. Wason Radio Sold 10,000 Radio's last year at a price of Rs. 500 each. The cost structure per Radio is as follows : 14

Material	-	Rs. 100 per unit
Labour	-	Rs. 50 per unit
<u>Variable overhead</u>	-	<u>Rs. 25 per unit</u>
Marginal cost	-	Rs. 175 per unit
<u>Fixed overheads</u>	-	<u>Rs. 200 per unit</u>
Total cost	-	Rs. 375 per unit

Due to competition, the price has to be reduced to Rs. 425 for the coming year. Assuming that there will be no change in costs. Find out how many Radio's shall be Sold to ensure the same amount of profit as last year ?

6. The cost of an article at capacity level of 5,000 unit's is given under. For a variation of 20% in capacity above or below this level, the Individual expenses vary as indicated below :- 14

Material Cost	-	Rs. 25,000 (100% Variable)
Labour Cost	-	Rs. 15,000 (100% Variable)
Power	-	Rs. 1250 (80% Variable)
Repair's and Maintenance	-	Rs. 2000 (75% Variable)
Stores	-	Rs. 1000 (100% Variable)
Inspection	-	Rs. 500 (20% Variable)
Depreciation	-	Rs. 10,000 (100% Fixed)
Adm. Overheads	-	Rs. 5000 (25% Variable)
<u>Selling Overhead's</u>	-	<u>Rs. 3000 (30% Variable)</u>
Total Cost	-	Rs. 62,750
Per Unit Cost	-	Rs. 12.55.