

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

**Term-End Examination**

**June, 2013**

**BFW-023 : FINANCIAL MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 70*

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**Note :** (i) *Attempt any seven questions.*

(ii) *All questions carry equal marks.*

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1. What is Financial Management ? Explain the objectives of financial management. 10
2. What are the main sources of funds ? Explain any three with their merits and demerits. 10
3. What is the Cash Budget ? What are the objects to prepare the Cash Budget ? 10
4. Every manager has to take three major decisions while performing the financial function. Explain them. 10

5. HMT sold in two successive year's 7000 and 9000 units and incurred a loss of Rs. 10,000 and earned Rs. 10,000 as profit respectively. The selling price per unit is Rs. 100/- Calculate. 10

- (a) The Amount of fixed cost
- (b) The No's of units to break-even
- (c) The No's of units to earn a profit of Rs. 50000.

6. ABC Ltd. have prepared the budget for the production of 1,00,000 units. Costing of the production per unit as under. 10

- Raw Material – Rs. 2.52 Per unit
- Direct Wages – Rs. 0.72 Per unit
- Direct Expenses – Rs. 0.10 Per unit
- Work overhead – Rs. 2.50 Per unit  
(60% fixed)
- Admin. overhead – Rs. 0.40 Per unit  
(80% fixed)
- Selling overhead – Rs. 0.20 Per unit  
(50% fixed)

The Actual Production during the period was only 60,000 units.

Calculate the Revised Budgeted cost per unit.

7. X Ltd. is expecting to have Rs. 12500 cash in hand on 1<sup>st</sup> April 1998 . Prepare the estimate of cash position during the three month's from the following information : 10

Month	Sale's	Purchase	Wages	Expencess
February	35,000	20,000	4000	3000
March	40,000	25,000	4000	3500
April	46,000	26,000	4500	3500
May	50,000	30,000	5000	4000
June	60,000	27,500	6000	4500

- (a) 30% purchase on cash and period of credit. Allowed to supplier is two months.
- (b) Wages is paid in same month
- (c) Lag in Payment of expenses in 1 month
- (d) 25% of sales is for cash and 50% of 75% is paid in month following of cash sales and rest is paid in two months following of cash sales.

8. The following data are related to the manufacture of a standard product during the Month of Jan. 10

Raw material	Rs.
Opening stock	— 20,000
Purchases	— 1,50,000
Closing stock	— 11,500
Direct Labour	— 60,000
Factory Overhead	(40% of Direct labour) —
Office overhead	— 27,500

Finished stock :

Opening stock of finished stock 500 units  
@ Rs. 11.20 per unit.

Closing stock of finished stock 1500 units at  
current cost price.

Profit on sale — 20%

Selling and distribution expenses — Rs. 20,000

Units produced — 25,000.

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