

NATIONAL COUNCIL FOR HOTEL MANAGEMENT  
AND CATERING TECHNOLOGY, NOIDA  
**ACADEMIC YEAR – 2017-2018**

COURSE : 5th Semester of 3-year B.Sc. in H&HA  
SUBJECT : Financial Management  
TIME ALLOWED : 03 Hours MAX. MARKS: 100

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(Marks allotted to each question are given in brackets)

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Q.1. What is financial management? Explain the objectives of financial management.

OR

Explain financial statement and its types.

(10)

Q.2. What is financial planning? Explain the importance of financial planning.

OR

Distinguish between fund flow statement and cash flow statement.

(10)

Q.3. What do you understand by Financial Analysis and what are its objectives?

OR

Write short notes on **any two**:

- (a) Debt-equity Ratio
- (b) Du Pont Control Chart
- (c) Deferred Revenue Expenditure

(2x5=10)

Q.4. Define working capital. What factors would you take into consideration in estimating the working capital?

OR

What do you understand by the term "Capital Structure"? State the factors responsible for such a state of affairs.

(10)

Q.5. Distinguish between (**any two**):

- (a) Gross Profit and Net Profit
- (b) Over Trading and Under Trading
- (c) Equity Shares and Preference Shares

(2x5=10)

Q.6. Prepare a Statement of Changes in Working Capital from the following balance sheet as on 31<sup>st</sup> December:

Liabilities	2014	2015	Assets	2014	2015
Equity share capital	15,00,000/-	15,00,000/-	Cash in hand	5,000/-	10,000/-
Preference share capital	2,00,000/-	-	Cash at bank	40,000/-	50,000/-
Debentures	1,00,000/-	5,00,000/-	Bills receivable	30,000/-	80,000/-
Long term loan	1,00,000/-	3,00,000/-	Debtors	10,000/-	30,000/-
Short term loan	30,000/-	50,000/-	Land & building	12,00,000/-	15,00,000/-
Bills payable	15,000/-	10,000/-	Kitchen equipment	4,50,000/-	4,80,000/-
Outstanding expenses	10,000/-	15,000/-	Cutlery	2,20,000/-	2,25,000/-
	<b>19,55,000/-</b>	<b>23,75,000</b>		<b>19,55,000/-</b>	<b>23,75,000</b>

(10)

Q.7. The Balance Sheet of Maruti Suzuki Ltd. as on 31.12.2016 was as follows:

Liabilities	Amount in Rs.	Assets	Amount in Rs.
Equity share capital	40,000/-	Plant & machinery	24,000/-
Capital reserve	8,000/-	Land & buildings	40,000/-
8% loan on mortgage	32,000/-	Furniture & fixtures	16,000/-
Creditors	16,000/-	Stock	12,000/-
Bank overdraft	4,000/-	Debtors	12,000/-
Taxation: Current	4,000/-	Investments (short-term)	4,000/-
Future	4,000/-		
Profit & Loss a/c	12,000/-	Cash in hand	12,000/-
	<b>1,20,000/-</b>		<b>1,20,000/-</b>

From the above, compute:

- Current ratio
- Quick ratio
- Debt equity ratio
- Proprietary ratio

(10)

Q.8. Mr. Agarwal has received two project proposals: Project 'X' and 'Y'. Comment which project is better, using (i) Net present value method (ii) Internal rate of return method assuming 10% as the rate of discount.

Year	Project 'X'	Project 'Y'
0	(-) 5,00,000/-	(-) 4,00,000/-
1	3,00,000/-	2,50,000/-
2	3,00,000/-	2,50,000/-

(10)

Q.9. Following are the balance sheet of M/s. Kashyap Ltd., for the years 2014 and 2015. Prepare a comparative balance sheet of the firm:

Liabilities	2014	2015	Assets	2014	2015
Equity share capital	10,00,000/-	12,50,000/-	Plant & machinery	5,00,000/-	4,00,000/-
Reserve	4,00,000/-	3,80,000/-	Land & buildings	5,00,000/-	6,50,000/-
Debentures	3,00,000/-	4,00,000/-	Furniture & fixes	1,00,000/-	1,50,000/-
Long term loans	2,00,000/-	2,80,000/-	Kitchen equipment	2,00,000/-	1,80,000/-
Bills payable	50,000/-	40,000/-	Cash in hand	10,000/-	10,000/-
Creditors	1,50,000/-	2,20,000/-	Cash at bank	47,000/-	2,52,000/-
Outstanding salary	5,000/-	10,000/-	Bills receivable	1,50,000/-	1,40,000/-
Outstanding rent	2,000/-	2,000/-	Debtors	2,50,000/-	3,00,000/-
			Cutlery & crockery	2,50,000/-	3,00,000/-
			Closing stock	1,00,000/-	2,00,000/-
	<b>21,07,000/-</b>	<b>25,82,000/-</b>		<b>21,07,000/-</b>	<b>25,82,000/-</b>

(10)

Q.10. From the following balance sheet of M/s. Mukesh & Co for the year ending 31<sup>st</sup> December 2014 and 2015, prepare Schedule of Changes in Working Capital and Fund Flow Statement:

Liabilities	2014	2015	Assets	2014	2015
Equity share capital	2,00,000/-	3,00,000/-	Land & buildings	80,000/-	90,000/-
Reserve	75,000/-	1,00,000/-	Kitchen equipment	30,000/-	40,000/-
Creditors	90,000/-	60,000/-	Cutlery & crockery	15,000/-	20,000/-
Bills payable	60,000/-	50,000/-	Furniture & fixtures	10,000/-	15,000/-
Profit & loss a/c	10,000/-	20,000/-	Cash	47,000/-	70,000/-
			Debtors	1,00,000/-	90,000/-
			Closing stock	1,53,000/-	2,05,000/-
	<b>4,35,000/-</b>	<b>5,30,000/-</b>		<b>4,35,000/-</b>	<b>5,30,000/-</b>

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