IIHMR UNIVERSITY

The IIHMR University, Jaipur

Institute of Health Management Research

MBA Pharmaceutical Management (2014-2016)

Financial Management

Maximum Marks - **70**

Allowed time duration – **3 Hours**

Q No. 1 Prepare a trial balance from the following balances extracted from the books of Mohan Lal and Sons on 31st March 2010 –

20 Marks

Opening Stock	28500
Purcahses	45000
Sales	65400
Purchase Return	800
Sales Return	1000
Capital	100000
Drawing	4000
Loan from Ram	20000
Interest on loan	1000
Wages	10000
Salaries	14200
Plant and Machinery	42000
Debtors	22000
Creditors	12000
Discount (dr)	500
Bills Receivables	10000
Cash	9000
Bank Overdraft	4000
Furniture	15000

Q No. 2 Answer the following. Each question carries four marks.

10 Marks

1. Give two examples of Current Assets
2. Give two examples of Long Term Liabilities
3. Give two examples of the Sources of Funds in a Balance sheet.
4. Distinguish between Liquidity and Profitability.
5. What is an Operating Cycle?

Q No. 3 Sheela deposited Rs. 300,000 on retirement in a bank. What can she withdraw annually for a period for 10 years if the interest rate is 10%.

10 Marks

Q No. 4 Following are the cash flows-for a project over a period of six years. Find out the IRR of the project.

15 Marks

Year	Cash Flows
0	560
1	142
2	850
3	732
4	165
5	293

Q No. 5 Distinguish between Cash Credit and Bank Overdraft.

5 Marks

Q No. 6

A A project involves a net cash inflow of Rs 3 lacs a year for three years and cost of capital is 8%. Find out the cost benefit ratio.

B Give two examples each of Leverage and Profitability Ratios.

10 Marks