IIHMR UNIVERSITY

The IIHMR University, Jaipur

Institute of Health Management Research

MBA Hospital and Health Management

Batch 20th (2015-2017) First Year

Financial Management

Term Examination

Time - 3 Hour　　　　　　　　　　　　　　　　　　　　M.M-70

Q. 1. Answer the following. Each question carries two marks. **(20 Marks)**

1. Give two examples of Current Assets.
2. Give two examples of Long Term Liabilities.
3. Give two examples of the Uses of Funds in a Balance sheet.
4. Distinguish between Fixed and Flexible Budgeting.
5. Explain and give the full form of EBIT.
6. Define Private Equity.
7. Give two examples of Profitability ratios?
8. Give two examples of Fixed Costs.
9. If the class life of an asset is 5 years and cost is Rs. 10000, what will be the depreciation?
10. Give two examples of short term sources of finance.

Q. 2. In 2009 the position of X ltd as follows: **(5x2=10 Marks)**

	Rs.
Sales	140000
Variable overhead	96000
Gross profit	44000
Fixed overhead	16000
Net Profit	28000

Find out:

(a) P.V. Ratio

(b) Breakeven point

Q. 3. A project which has an initial outlay of Rs. 594678 involves a net cash inflow of Rs 3 lacs a year for ten years and cost of capital is 15%. Find out the NPV, PI and Discounted Payback. If the IRR of the project is 50%, will you accept or reject the project? **(10 Marks)**

Q. 4. **A)** If the difference between current ratio and quick ratio of a company is 1.87. What does that reflect about a company?

B) If a company's debt-equity ratio is 80%, what kind of a risk does a company have?

(2.5x2=5 marks)

Q. 5. Ten years from now Ravi will start receiving an annuity of Rs. 65000 for the next 10 years for an investment that he has made in a pension fund. Find the present value of the prospected stream of payments. **(10 Marks)**

Q. 6. Journalise the following Transaction in the Books of Shyam Stores: **(15 Marks)**

Jan 1. **Assets:** Cash Rs. 25000, Bank Rs. 4000, Stock Rs. 50000, Furniture Rs. 3600, Ram Rs. 6000, Shayam Rs. 8000, Mohan Rs. 10000
Liabilities: Bank Loan Rs. 20000, Ajay Rs. 5000, Vijay Rs. 7500

Jan 2. Bought goods from Kailash for Rs. 20,000 at a Trade discount of 10% and cash discount of 2%. Paid 60% amount immediately.

Jan 3. Sold goods to Ram for Rs. 9000

Jan 8. Received Rs. 14,800 from ram in full settlement of his account.

Jan 9. Cash Deposited into Bank Rs. 10,000.

Jan 11. Received a cheque from Mohan Rs. 2000.

Jan13. Cash sales Rs. 14000, out of this Rs. 12000 deposited into Bank.

Jan 15. Cheque received from Mohan deposited into Bank.

Jan 18. Old news Paper sold Rs. 70
Old Furniture sold Rs. 850

Jan 20. Mohan became insolvent and 40 paisa in a rupee could be received from his estate.

Jan 25. Proprietor withdraw for private use Rs. 2000 from office and Rs. 3000 from Bank.