IIHMR UNIVERSITY

School of Pharmaceutical Management

MBA Pharmaceutical Management

Batch-08th (2016-2018) First Year

Financial Management-1

Term Examination

EXAMINATION CELL IIHMR UNIVERSITY

Time - 3 Hour **MM-70**

The question paper contains 2 printed pages.

Q. 1 Answer the following in not more than 40 words. Each question carries two marks. (10 Marks)

1. What is the biggest challenge in working capital management?
2. Define debentures. What are the different types of debentures?
3. Distinguish between Profitability Ratios and Leverage Ratios, give one example of each.
4. Give two examples of Intangible assets.
5. What is Bank Overdraft?

Q. 2 What is the difference between NPV and BCR? Calculate the NPV and BCR for the following inflows, if required rate of return is 10% - (15 Marks)

YEAR	INFLOWS (IN Rs.)
0	-10,00,000
1	250200
2	468,900
3	5,25,890
4	3,46,430
5	25,265

Q. 3 Sheela deposited Rs. 200,000 on retirement in a bank. What can he withdraw annually for a period for 10 years if the interest rate is 15%. (10 Marks)

Q. 4 Write short notes on – (Not more than 40 words) (10 Marks)

a. Going concern concept
b. Entity concept
c. Difference between Gross profit and Net profit
d. Bank Overdraft
e. Sundry Debtors

Q. 5 Prepare the Journal from the following Transaction in the books of Lucky Ltd. (15 Marks)

Jan1. Assets :- CashRs.12000 , Furniture Rs.2000 , Stock Rs.20000 , Building Rs. 50000 , Santosh Rs.10000 , Usha Rs. 6000

Liabilities :- Ramesh Rs. 7000 , Naresh Rs. 15000

Jan 2. Purchase Goods Rs. 25,000 by cash and on credit Rs.15000 from Ram .

Jan 3. Purchase goods of list price 1,00,000 at 10% trade discount and 5% cash discount.

Jan 6. Withdraw for personal use Rs.5,000 and Goods worth Rs. 7,000

Jan 7. Purchase Furniture Rs.25000 for daughter marriage .

Jan 8. Santosh become insolvent and 60 paise in a rupee could be realized from him .

Jan 10. Paid to Ram in full settlement Rs. 24000

Jan 15. Paid for salaries Rs. 5000 , advertisement Rs. 7000 , Trade expenses Rs.3000 .

Jan 22. Received cash from Rita against bad debts Rs. 22000 written off last year , Rs. 19800 .

Jan 24. Charge Depreciation on furniture @ 10% p.a for one month (Furniture Rs. 7200)

Jan 25. Provide Interest on capital (Rs. 36000) at 15% p.a. for six month .

Jan 26. Supplied goods costing Rs.600 to mohan and issued invoice at 10 % above cost and allowed 5 %trade discount .

Jan 28. Household Furniture lost by Fire Rs. 10000 .

Q. 6 When you are making final accounts where would you put these balances?

1. Cash
2. Transportation cost of raw materials
3. Sundry Creditors
4. Wages paid to labour
5. Commission
6. Long Term Loans
7. Office Rent
8. Gross Block
9. Direct Material
10. Share Capital

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