



SN – 336

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V Semester B.Com. Examination, November/December 2013
(2013-14 & Onwards)
COMMERCE

Paper – 5.5(E-I) : Advanced Financial Management

Time : 3 Hours

Max. Marks : 100

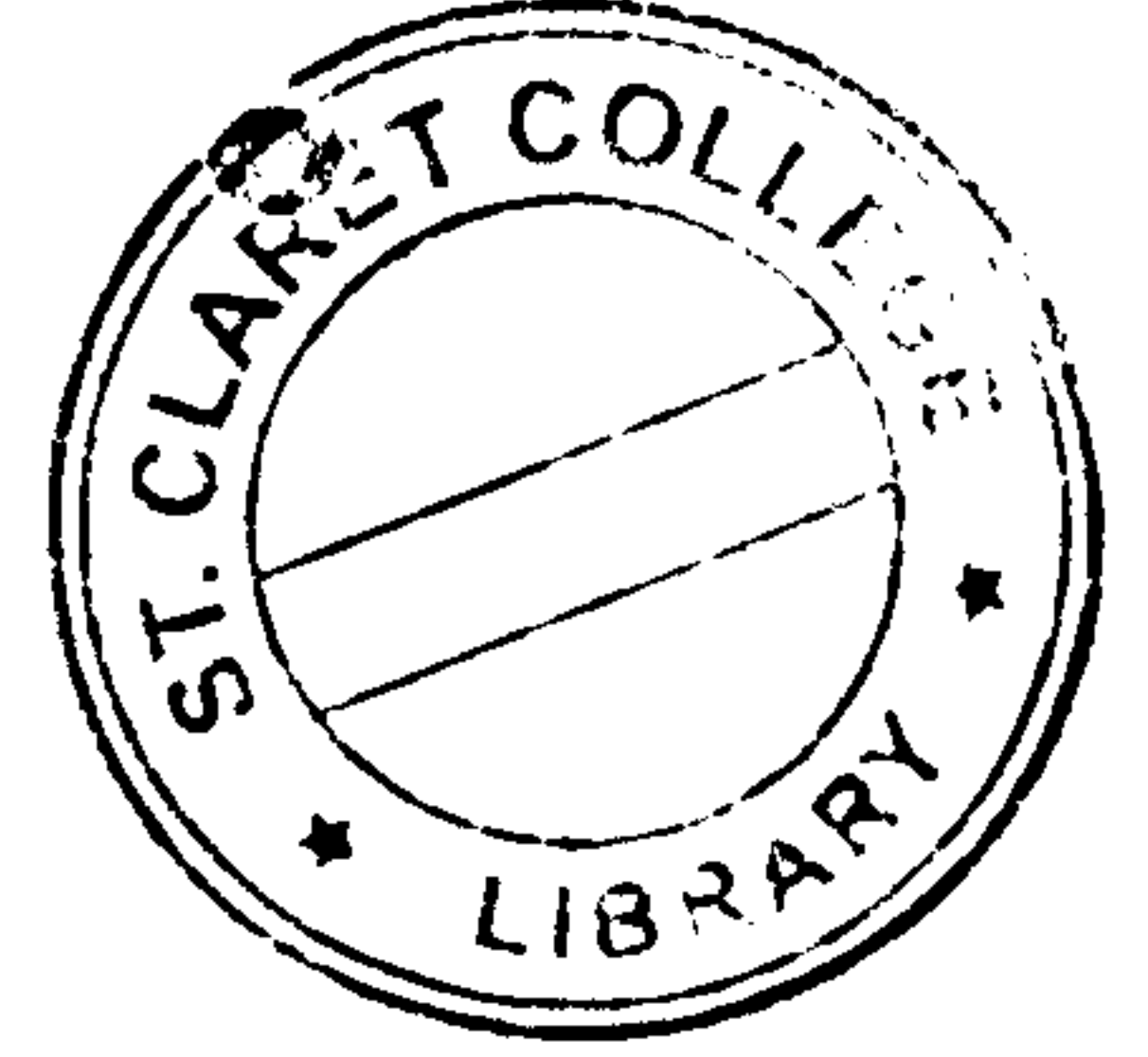
Instruction : Answers should be written either in **English** or in **Kannada**.

SECTION – A

Answer **any 8** sub-questions. **Each** sub-question carries **2** marks.

(8×2=16)

1. a) What is sensitivity analysis ?
- b) What do you mean by dependent cash flows ?
- c) What is pay back period ?
- d) What is capital structure ?
- e) What is trading on equity ?
- f) What do you mean by stable dividend ?
- g) What is net working capital ?
- h) What do you mean by receivables management ?
- i) What do you mean by carrying costs ?
- j) What is bonus share ?



SECTION – B

Answer **any three** of the following. **Each** question carries **8** marks.

(3×8=24)

2. What are the objectives of cash management ?
3. Briefly explain the Walter's model.

P.T.O.



11. From the following particulars prepare cash budget for the month of October, November and December.

Month	Purchases	Sales	Wages
	Rs.	Rs.	Rs.
Actual			
July	2,00,000	6,00,000	1,20,000
August	3,00,000	7,00,000	1,40,000
September	4,00,000	8,00,000	1,28,000
Budgeted			
October	6,00,000	12,00,000	1,60,000
November	5,00,000	9,00,000	1,44,000
December	4,00,000	10,00,000	1,20,000

Other Information.

- Credit allowed to customers 2 months and from creditors 1 month.
- Lag in payment of wages $\frac{1}{4}$ month.
- Advance tax is to be paid in November Rs. 25,000.
- Insurance of Rs. 10,000 payable every month.
- Machinery purchased in December amounted to Rs. 1,50,000.
- 10% of sales and purchases are made for cash.
- Selling commission is payable at 5% on sales payable in the month following the month of collection.
- The bank balance on 1st October is Rs. 2,00,000.