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| **Semester: Aug 2024****Maximum Marks: 50 Examination: End Sem ATKT Exam Date: Duration:2.5hrs** |
| **Programme code:18.****Programme: MBA for Working Executive** | **Class:** FY | **Semester/Trimester: I****Batch 1 (2023-24)** |
| **College:**  **K. J. Somaiya Institute of Management** | **Name of the department/Section/Center:** Centre for Executive Education |
| **Course Code:**  | **Name of the Course: Financial & Cost Analysis** |
| **Instructions: Solve all the questions**  |

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| --- | --- | --- |
| **Question No.** | **Section B****(Prof. Rashmi Soni)** |  **Max.****Marks** |
| 1 | The financial statement of Grace Corporation is as follows-**Profit and Loss Account****(For the year ended March 31)**

|  |  |  |
| --- | --- | --- |
|  | **2023 (Rs)** | **2022 (Rs)** |
| Net sales | 97300 | 88400 |
| Cost of Goods sold | 68500 | 57600 |
| Gross Profit | 28800 | 30800 |
| Selling & Administrative Expenses | 5300 | 4500 |
| Profit Before interest and tax | 23500 | 26300 |
| Interest expense | 1800 | 1400 |
| Profit before tax | 21700 | 24900 |
| Income tax | 10500 | 12000 |
| Profit after tax | 11200 | 12900 |

**Balance Sheet of Grace Corporation****(As on March 31)**

|  |  |  |
| --- | --- | --- |
|  | **2023 (Rs)** | **2022 (Rs)** |
| Shareholder’s Fund |  |  |
| Share Capital | 25000 | 25000 |
| Reserve & Surplus | 11800 | 8600 |
| Liabilities |  |  |
| Secured loans | 9000 | 8000 |
| Unsecured loan | 3000 | 1000 |
| Current Liabilities | 23300 | 17100 |
| Total | 72100 | 59700 |
| Assets |  |  |
| Fixed assets | 32200 | 26500 |
| Investments | 2800 | 4300 |
| Inventories | 10600 | 4900 |
| Debtors | 20900 | 15600 |
| Cash | 4400 | 7000 |
| Other current assets | 1200 | 1400 |
| Total | 72100 | 59700 |

The following additional information is also available-

|  |  |  |
| --- | --- | --- |
|  | **2023 (Rs)** | **2022 (Rs)** |
| Market price per share | 30 | 40 |
| Dividend per share | 3.20 | 2.80 |
| Earnings per share | 4.48 | 5.16 |

At the end of 2021, the company had inventories of Rs 3700, debtors of Rs 12000, total assets of Rs 41000, and shareholder's equity of Rs 22700. You must calculate at least 2 to 3 ratios of profitability, solvency, liquidity, and market standing ratio. Using the ratios computed, evaluate the Grace Corporation’s profitability, liquidity, solvency, and market condition. | 14 |
| 2 | 1. Sohan Company entered into the following transactions:
2. Sold investment at a gain
3. Purchased copyright with cash
4. Issued debentures in exchange for equipment
5. Paid interest on bank overdraft
6. Converted debentures into equity shares
7. Purchased a 60 days certificate of deposit with cash
8. Entered into a finance lease for a new machine
9. Paid festival bonus to employees
10. Paid advance to a supplier of equipment
11. Sold machinery at a gain

Required-i) Classify each as an operating activity, investing activity, financing activity, non-cash activity, and none of the above.ii) Also state whether the transaction results in an increase in cash, a decrease in cash, or no effect on cash.1. How many types of costs are there in manufacturing a product?
 | 84 |
| 3 | 1. The following balances were extracted from the books of M/S Dimple Ltd on current year-

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Amount in Rs** | **Item** | **Amount in Rs** |
| Share capital | 10,00,000 | Machinery | 5,00,000 |
| Land | 8,00,000 | Bills Receivables | 2,00,000 |
| Building | 2,00,000 | Cash in hand | 50,000 |
| Debentures | 2,00,000 | Sundry Debtors | 1,50,000 |
| Bank Loan | 1,50,000 | Sundry Creditors | 1,00,000 |
| Profit (Current year) | 1,50,000 | Profit (Previous year) | 2,50,000 |

Prepare a balance sheet for the current year, as of 31st March, in proper format. 1. Short notes on any two
* Separate Entity Concept
* Break Even point
* Cash Flow statement
 | 66 |
| 4 | Lucy & Co has given the following data:* Selling price per unit Rs 20
* Direct Materials Cost per unit Rs 8
* Direct labour cost per unit Rs 2
* Variable overhead per unit Rs 2
* Fixed overhead total Rs 20,000

**Find Out**- (a) P/V ratio (b) Break-even sales (c) Margin of safety at a level of Rs 1, 00,000. (d) Profit, if sales are 20% above the break-even sales (e) Sales to make a profit of Rs 5000 (f) P/V ratio if the selling price is increased by 10% (g) Break-even sales , if the selling price is increased by 10% (h) Break-even sales if the fixed overhead is increased by 20%. | 12 |