

Date: 18-01-2019

IA Question Paper Review Committee

The following committee has been framed to review the IA question papers. Committee members are as follows.

- 1) Dr. K. Sailatha - Principal
- 2) Mr. Darshan P R – IA Coordinator
- 3) Mrs. Roopa D S,- Member
- 4) Mr. Prashanth Kumar R – Member
- 5) Mr. Mithun D'Souza -Member

18/1/19
IA coordinator

18/1/2019
HOD
Head of The Department
Department of Computer Science
PES Institute of Advanced Management Studies
SHIVAMOGGA-577 204

18/1/19
Principal
Principal

PES Institute of Advanced Management Studies
NH 206, Sagar Road
SHIVAMOGGA-577 204

Sl.No	Faculty Name	Signature
1	Mrs. Sharadha G	[Signature]
2	Mrs. Kavitha U.P	[Signature]
3	Mrs. Lenita Quadros	[Signature]
4	Mrs. Anitha C.B	[Signature]
5	Mrs. Roopa D.S	[Signature]
6	Mrs. Ashwini E.M	[Signature]
7	Mr. Prashanth Kumar R	[Signature]
8	Mr. Mithun D Souza	[Signature]
9	Mr. Annol Kiran	[Signature]
10	Mr. Darshan P.R	[Signature]
11	Ms. Tejaswini V.R	[Signature]
12	Ms. Bindu	



ಪಿಇಎಮ್ ಇನ್‌ಸ್ಟಿಟ್ಯೂಟ್ ಆಫ್ ಅಡ್ವಾನ್ಸ್‌ಡ್ ಮ್ಯಾನೇಜ್‌ಮೆಂಟ್ ಸ್ಟಡೀಸ್
(ಕುವೆಂಪು ವಿಶ್ವವಿದ್ಯಾನಿಲಯದ ಸಂಯೋಜಿತವಾಗಿರುವ ಮತ್ತು ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಮಾನ್ಯತೆ ಪಡೆದಿದೆ)
ಎನ್ ಹೆಚ್ 206, ಸಾಗರ ರಸ್ತೆ, ಶಿವಮೊಗ್ಗ - 577 204 (ಕರ್ನಾಟಕ)



Phone : 8147053085

PES Institute of Advanced Management Studies

(Affiliated to Kuvempu University. Recognized by Govt. of Karnataka)

Website : pestrust.edu.in/pesiams

N H-206, Sagar Road, Shivamogga - 577 204 (Karnataka)

Date: 22-07-2019

IA Question Paper Review Committee

The following committee has been framed to review the IA question papers.
Committee members are as follows:

- 1) Dr. K. Sailatha - Principal
- 2) Mr. Harsha C Mathad – IA Coordinator
- 3) Dr Sudharshan – Member
- 4) Dr SR Nagaraja – Member
- 5) Mr. Nagesh G P – Member
- 6) Ms. Sharadha G – Member
- 7) Dr. Praveen Chandra – Member
- 8) Ms. Kavitha U P - Member

Harsha C Mathad
22/7/19
IA coordinator

K. Sailatha
22/7/19
HOD

K. Sailatha
22/7/19
Principal



Formation of Internal Assessment Question Paper Scrutiny Committee

It has been decided to form the **Internal Assessment Question Paper Scrutiny Committee** with effect from **20th August, 2018** to maintain the quality of the Internal Assessment question papers, to check with standard of questions framed, to check with the grammatical errors and distribution of marks. The committee comprises the following members:

Sl. No	Name of the member and Department	Designation	Signature
Dr. K Sailatha		Chairperson	
Department of Commerce and Management			
1	Mr. S.R Nagaraja	Member	
2	Mr. G.P Nagesh	Member	
3	Mrs. Sharada G	Member	
4	Mr. Rakesh D' Souza	Member	
5	Mr. Harsha C Mathad	Member	
Department of Computer Science			
1	Mrs. Roopa D.S	Member	
2	Mrs. Lenita Quadros	Member	
3	Mr. Darshan P.R	Member	
4	Mr. Prashanth Kumar R	Member	
5	Mr. Mithun D' Souza	Member	

We request all members of the committee to maintain the confidentiality while the scrutinizing the question papers.

Principal

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INTERNAL SQUAD DIARY.

DATE

AURORA

I Internal Assessment



Odd/Even Semester 2019-2020

Sl. No	Name of the Faculty	Class Room	Date	Time	Remark	Signature
01.	Roopa D S.	01	6 th 8 2019	10 to 11:00 AM	—	Roopa D S 6/8/19
		02				
		03				
		04				
02.	Darshan PR	01	6-8 2019	12:15 to 01:00 PM	—	Darshan PR 6/8/19
		02				
		03				
		04				

II Internal Assessment

01.	Darshan PR	1	11.9.2019	10 to 11:30 AM	—	Darshan PR 11/9/19
		2				
		3				
		4				
		5				
		6				
02.	Roopa D.S.	1	11-9-2019	1:30 to 3:00 PM	—	Roopa D S 11/9/19
		2				
		3				
		4				
		5				
		6				

XSN

Principal

DATE

AURORA

Sl. No.	Faculty Name	Class Room	Date	Time	Remark	Signature
03.	Roopa W.S.	1	12-9-19	10:00 to 11:30 AM	-	Roopa W.S. 12/9/19
		2				
		3				
		4				
		5				
		6				
04	Darsan PR	1	12-9-19	1:30 to 3:00 PM	-	Darsan 12/9/19
		2				
		3				
		4				
		5				
		6				
05	Roopa W.S.	1	13-9-19	10:00 to 11:30 AM	-	Roopa W.S. 13/9/19
		2				
		3				
		4				
		5				
		6				
06	Darsan PR	1	13-9-19	1:30 to 3:00 PM	-	Darsan 13/9/19
		2				
		3				
		4				
		5				
		6				
07	Roopa W.S.	1	16-9-19	10:00 to 11:30 AM	-	Roopa W.S. 16/9/19
		2				
		3				
		4				
8.	Darsan PR	1	16-9-19	1:30 to 3:00 PM	-	Darsan 16/9/19
		2				

Principal

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I IA - Even Semester

DATE

2019-20



Sl. No	Faculty Name	Class Room	Date	Time	Remarks	Signature
01.	Roopa D.	1 (L.H. 3)	30-1-2020			Roopa D.
		2 (L.H. 10)		10:15 to	—	30/1/2020
		3 (L.H. 13)		11 AM.		
02.	Darshan P R	1 (L.H. 3)	30-1-2020			Darshan P R
		2 (L.H. 10)		12:15 to	—	30/1/2020
		3 (L.H. 13)		1:00 PM		
03	Darshan P R	1 (L.H. 1)	2/3/20			Darshan P R
		2 (L.H. 2)		10-00 to		2/3/20
		3 (L.H. 3)		11-30		
		4 (L.H. 4)				
		5 (L.H. 10)				
04	Roopa D. S.	1 (L.H. 1)				Roopa D. S.
		2 (L.H. 2)		10-00 to	—	2/03/2020
		3 (L.H. 3)		11-30		
		4 (L.H. 4)				
		5 (L.H. 10)				
05	Darshan P R	1 (L.H. 1)				Darshan P R
		2 (L.H. 2)		1-30 to		2/3/20
		3 (L.H. 3)		3-00		
		4 (L.H. 4)				
		5 (L.H. 10)				
06	Roopa D. S.	1 (L.H. 1)		1-30 to	—	Roopa D. S.
		2 (L.H. 2)		3-00		2/03/2020
		3 (L.H. 3)				
		4 (L.H. 4)				
		5 (L.H. 10)				

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Date: 5th March 2020
Time: 10.00 AM to 11.30 AM

Maximum Marks: 40 Marks
Duration: 90 minutes

PART- A

Answer any ONE question. 05 marks each

[1 * 5 = 10]

1. What is Net Present Value?

OR

2. A project costing ₹ 10,00,000 yields annually a profit of ₹ 1,10,000 after depreciation at 20% but before tax 50%. You are required to calculate pay back period.

PART- B

Answer any TWO questions. 10 marks each

[2 * 10 = 20]

3. What are the Sources of Finance? Briefly explain.

OR

4. From the following data evaluate the two company in terms of Operating, Financial and Combined Leverages

Particulars	Company-A	Company-B
Sales	₹ 30,00,000	₹ 40,00,000
Variable cost	40% of Sales	30% of Sales
Fixed cost	₹ 6,00,000	₹ 7,00,000
Interest	₹ 1,50,000	₹ 1,75,000

5. What is Working Capital? Explain the types of Working Capital.

OR


6. A Proforma cost sheet of a company provides the following particulars:

Elements of Cost	Amount Per Unit
Materials	50%
Direct Labour	15%
Overheads	15%

The following further details are as follows:

- It is proposed to maintain a level of activity of 3,00,000 units.
- Selling price per unit ₹ 20
- Raw-materials are stored for 2 months
- Materials will be in process on an average of one month
- Finished goods are stock for 2 months
- Credit allowed to debtors for 2 months
- Credit allowed by suppliers of 2 months

Prepare estimated Working Capital Amount.


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PART- C

Answer any ONE question. 15 marks each

[1* 15 =15]

7. A company has an investment opportunity costing 2,00,000. The net cash flows are as under:

Year	Cash flows (₹)
1	35,000
2	80,000
3	90,000
4	75,000
5	20,000

Determine the following:

- NPV and Profitability Index at 10%
- IRR with the help of 10% and 20% discount factor.

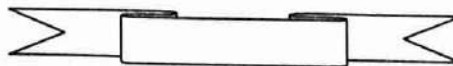
OR

8. XYZ Ltd., has under consideration the following two projects. The details are as under:

Particulars	Project-M	Project-N
Investment	6,00,000	3,00,000
Working Capital	60,000	40,000
Life	4 Years	3 Years
Annual income after depreciation and after tax		
1	60,000	20,000
2	65,000	10,000
3	70,000	14,000
4	75,000	-

Calculate the ARR and suggest which project is to be preferred.

Ans.
Reviewed



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XSD

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Course: B.Com

Semester: IV

Subject Code: M 406

Subject: Financial Management

Total Marks: 40

Time: 90 min

Scheme of Valuation

1. **Net present value (NPV)** is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.

The value in the present of a sum of money, in contrast to some future value it will have when it has been invested at compound interest.

2. Pay Back Period Method

Working Note: Calculation of Profit before depreciation but after tax.

Profit after depreciation before tax	₹ 1,10,000
Less, Taxation 50%	55,000
Profit after depreciation & tax	55,000
Add, Depreciation [20% of 10,00,000]	2,00,000
Profit before depreciation after tax	2,55,000

$PBP = \frac{\text{Net Investment}}{\text{Annual Profit}} = \frac{10,00,000}{2,55,000}$
PBP = 3.92 Years

3. Sources of Finance of as Follows:

Sources of Finance	
Short Term Finance	Long Term Finance
<ul style="list-style-type: none"> • Short Term Bank Loan • Bank Overdraft • Trade Credit • Factoring Accounts Receivables • Accrued Expenses • Commercial Papers 	<ul style="list-style-type: none"> • Issue of Shares • Issue of Bonds • Long Term Bank loan • Retained Earnings

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4. Statement showing calculation of Leverages:

Particulars	Company-A (₹)	Company-B (₹)
Sales	30,00,000	40,00,000
Less, Variable Cost	12,00,000	12,00,000
Contribution	18,00,000	28,00,000
Less, Fixed Cost	6,00,000	7,00,000
EBIT	12,00,000	21,00,000
Less, Interest	1,50,000	1,75,000
EBT	10,50,000	19,25,000

Leverages	Company-A	Company-B
$OL = \frac{\text{Contribution}}{\text{EBIT}}$	1.50 Times	1.33 Times
$FL = \frac{\text{EBIT}}{\text{EBT}}$	1.14 Times	1.09 Times
$CL = OL * FL$	1.71 Times	1.45 Times

5. Working capital denotes a ready amount of fund available for carrying out the day-to-day activities of a business enterprise.

It is considered to be the life-blood of the business and its effective and efficient management is necessary for the very survival of the business.

Working capital can be understood as the capital needed by the firm to finance current assets. It represents the funds available to the enterprise to finance regular operations, i.e. day to day business activities, effectively. It is helpful in gauging the operating liquidity of the company, i.e. how efficiently the company is able to cover the short-term debt with short-term assets.

Types of Working Capital	
On the basis of Value	On the basis of Time
<input type="checkbox"/> Gross Working Capital	<input type="checkbox"/> Temporary working Capital
<input type="checkbox"/> Net Working Capital	<input type="checkbox"/> Permanent Working Capital
	<input type="checkbox"/> Variable Working Capital


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6. Statement showing calculation of Working Capital Requirement:

Particulars	Amount (₹)	
Current Assets		
Raw Material [3,00,000 X ₹ 10 X 2/12]	5,00,000	
Work In Progress [3,00,000 X ₹ 16 X 1/12]	4,00,000	
Finishd Goods [3,00,000 X ₹ 16 X 2/12]	8,00,000	
Debtors [3,00,000 X ₹ 16 X 1/12]	8,00,000	
Cash & Bank balance	<u>NIL</u>	
Total Current Assets		25,00,000
Less, Current Liabilities		
Creditors [3,00,000 X ₹ 10 X 2/12]		5,00,000
Net Current Assets		17,50,000
Add, Contingencis		Nil
Total Working Capital Required		17,50,000

7. Calculation of Net Present Value:

Year	CI (₹)	PF @ 10%		PF @ 20%	
		PVF @ 10%	PV of CI @ 10%	PVF @ 20%	PV of CI @ 20%
1	35,000	0.909	31,815	0.833	29,155
2	80,000	0.827	66,160	0.694	55,520
3	90,000	0.751	67,590	0.579	52,110
4	75,000	0.683	51,225	0.482	36,150
5	20,000	0.621	12,420	0.402	8,040
Total Present Value			2,29,210		1,80,975
Less, Investment			2,00,000		2,00,000
Net Present Value			(+) 29,210		(-) 19,025

Internal Rate of Return
$IRR = LR + \frac{\text{Positive NPV}}{\text{Difference in PV}} \times [HR - LR]$
$10 + \frac{29,210}{[2,29,210 - 1,80,975]} \times [20 - 10]$
$10 + \frac{29,210}{48,235} \times 10$
$10 + 6.055$
IRR = 16.055%

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8. Statement calculation of Accounting Rate of Return

Working Note		
	Project-M	Project-N
Average Annual Profit	₹ 67,500	₹ 14,667
Average Investment	3,60,000	1,90,000

Accounting Rate of Return		
	Project-M	Project-N
$ARR = \frac{\text{Average Annual Profit}}{\text{Average Investment}} \times 100$	$\frac{67,500}{3,60,000} \times 100$	$\frac{14,667}{1,90,000} \times 100$
ARR	18.75%	7.72%

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