P.G.DIPLOMA EXAMINATION, MAY 2007.

Financial / Banking and Financial Management

Paper II – ACCOUNTING FOR MANAGERS

Time: Three hours

Maximum: 75 Marks

Answer any FIVE questions

All Questions carry equal marks.

- 1. Define accounting . Explain its functions.
- 2. Discuss the construction of Profit and Loss Account detail
- 3. Explain the procedure for allotment and forfeiture of shares.
- 4. Discuss the legal requirements relating to the form and contents of Balance Sheet.
- 5. What are the various legal requirements relating to Auditing?
- 6. State the concepts of Current Cost Accounting in detail.
- 7. Differentiate between Absorption costing and Marginal costing.
- 8. Balance Sheets of Mahindra and Co. as on Jan.1st 2006 and Dec.31st 2006 are as follows.

Balance Sheet

Liabilities	1.1.06	31.12.06	Assets	1.1.06	31.12.06
	Rs.	Rs.		Rs.	Rs.
Creditors	40,000	44,000	Cash	10,000	7,000
Mr.Mahindra's			Debtors	30,000	50,000
Loan	25,000	(\	Stock	35,000	25,000
Loan from			Machinery	80,000	55,000
P.N.Bank	40,000	50,000	Land	40,000	50,000
Capital	1,25,000	<u>1,53,000</u>	Building	<u>35,000</u>	<u>60,000</u>
	<u>2,30,000</u>	<u>2,47,000</u>		2,30,000	2,47,000

During the year machine costing Rs.10,000 (accumulated depreciation Rs.3,000) was sold for Rs.5,000. The provision for depreciation against machinery as on Jan.1, 2006 was Rs.25,000 and on Dec.31, 2006 Rs.4,000. Net profit for the year 2006 amounted to Rs.45, 000.

You are required to prepare Funds Flow Statement.

9. Calculate Material variances from the following data: The standard cost of a certain chemical mixture is : 35% Material P at Rs.25 per kg
65% Material Q at Rs.36 per kg
A standard loss of 5% is expected in production
During a period the usage was :
125kg of Material P at Rs.27 per kg and
275 kg of Material Q at Rs.34 per kg
The actual output was 365 kgs.

- 10. A company budgets for production of 1,50,000 units. The variable cost per unit is Rs.14 and fixed cost per unit is Rs.2. The company fixes its selling price to fetch a profit of 15% on cost.
 - (a) What is the break-even point?
 - (b) What is the profit-volume ration
 - (c) If it reduces its selling price by 5%, how will the revised selling price affect the break-even point and the profit-volume ration ?
 - (d) If a profit increase of 10% is desired more than the budget, what should be the sales at the reduced prices ?

(DFM03 / DBFM 03)

P.G.DIPLOMA EXAMINATION, MAY 2007. Financial / Banking and Financial Management Paper III – MANAGEMENT OF FINANCIAL SERVICES

Time: Three hours

Maximum: 75 Marks

Answer any FIVE questions All Questions carry equal marks.

1. Define 'financial services'. What are various kinds of financial services provided by banks

and financial institutions ?

- 2. Discuss in detail the nature and functions of merchant banker
- 3. Discuss the merger and consolidation of business concerns.
- 4. What do you understand by credit rating ? What are the advantages of credit rating ?
- 5. "Leasing is beneficial to both, the lessee as well as the lessor?. Examine
- 6. What is the impact of factoring transaction on balance sheet ? Discuss with the help of an example.
- 7. What are the major guidelines issued by SEBI with regard to the venture capital funds?
- 8. Discuss the advantages of credit card system.
- 9. Explain the procedure and effect of Jake over of management of business of a borrower by the secured creditor.
- 10. Write short notes on the following :
 - (a) Listing of securities (b) Project financing.

(DFM04)

P.G.DIPLOMA EXAMINATION, MAY 2007. Financial Management Paper IV – SECURITY ANALYSIS AND PORTFOLIO MANAGEMENT

Answer any FIVE questions

Time: Three hours

Maximum: 75 Marks

- 1. What is investment ? Is investment different from speculation ?
- 2. Explain the functions of Primary Market.
- 3. What are the main objectives of NSE ?
- 4. What are the methods adopted to analyse the financial statements of a company?
- 5. "The stock market has a life of its own and the study of it rewards the investor, Comment.
- 6. Define the various forms of the market efficiency.
- 7. Explain the statistical method used by Markowitz to obtain the risk reducing benefit.
- 8. Explain the CAPM theory and its validity in the stock market.
- 9. What is meant by Mutual Funds ? What are the advantages of professionally managed portfolio ?
- 10. Write short notes on the following
 - (a) Random-walk-theory

(b) Rupee cost averaging.