



NP – 361

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V Semester B.Com. Examination, January/February 2025
(NEP Scheme) (Freshers/Repeaters)
TOURISM AND TRAVEL MANAGEMENT
5.1 : Financial Management TTM

Time : 2½ Hours

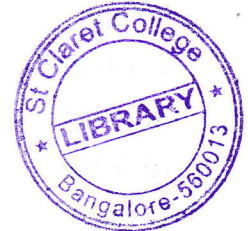
Max. Marks : 60

Instruction : Answer *all* the questions in **English**.

SECTION – A

1. Answer **any six** questions out of eight. **Each** question carries **two** marks. (6×2=12)

- Define working capital management.
- Profit before tax is ₹ 2,00,000, tax rate is 50%, No. of equity shares are 10,000. Calculate EPS.
- Expand NPV and EBIT.
- Financial leverage is 3 times, operating leverage is 2 times, what is combined leverage ?
- What is capital structure ?
- Initial investment is ₹ 20,00,000, scrap value is ₹ 4,00,000, working life of the machine is 10 years. Calculate average investment.
- List any 2 techniques used under capital budgeting.
- Give the meaning of financial management.



SECTION – B

Answer **any three** questions out of five. **Each** question carries **four** marks. (3×4=12)

- Briefly describe the function of financial management.
- Explain the need for time value of money.
- Calculate operating leverage from the following details.

Sales 1,00,000 units, selling price per unit ₹10, variable cost is ₹ 6 per unit, fixed cost is ₹ 2,00,000.

P.T.O.



5. Prepare an estimate of working capital requirement from the following information :

Profit (% Net profit) on sales 30%

Annual sales 1,20,000 units

Selling price per unit ₹10

Average credit period allowed to customer – 10 weeks

Average credit period allowed by suppliers – 5 weeks

Average stock holding in terms of sales requirement – 5 weeks

Allow 15% for contingencies.

6. Calculate ARR for Project A and Project B from the following information.

Particulars	Project A	Project B
Investments	2,00,000	3,00,000
Expected life	4 years	5 years
Net Income (after tax) (projects)		
I Year	20,000	30,000
II Year	15,000	30,000
III Year	15,000	20,000
IV Year	10,000	10,000
V Year	—	10,000

Required rate of return is 12%. Which project should be undertaken ?

SECTION – C

Answer **any three** questions out of five. **Each** question carries **twelve** marks.

(3×12=36)

7. Who is a finance manager ? Explain the role of finance manager.
8. Explain the factors influencing capital structure decision.



9. Arun electronics is considering purchase of 2 machines 'P' and 'Q' costing 50,000. Assuming a discount rate of 10%. The profit before depreciation after tax (cash inflow) and P.V. factor as follows.

Year	Machine P (cash inflow)	Machine Q (cash inflow)	P. V. Factor at 10%
1	25,000	15,000	0.909
2	30,000	25,000	0.826
3	35,000	30,000	0.751
4	25,000	40,000	0.683
5	20,000	30,000	0.621

Compute :

- Payback period.
 - Net present value.
 - Accounting rate of return.
10. From the following particulars estimate working capital requirement from the books of TTM Ltd.

Particulars	Amount Per unit
Raw material	45
Direct labour	9
Overheads	21
Total cost	75
Profit	15
Selling Price	90

Additional information :

- Raw material are in store on an average for 2 months
- Materials are in process for 1 month
- Finished goods are in store on an average for 3 months
- Credit allowed by suppliers is 3 months
- Credit allowed to customers is 2 months
- 20% of output sold for cash
- Production and sales 70,000 units
- Cash in hand expected to be 35,000.



11. Malnad Ltd. is capitalized with ₹ 10,00,000 divided into 1,00,000 equity shares of ₹ 10 each. Management decides to raise another ₹10,00,000 to finance a major expansion program. These are 3 possible financial plans.

- i) All equity shares
- ii) All debentures carrying 8% interest.
- iii) ₹ 5,00,000 equity shares and ₹ 5,00,000 in debentures

Calculate EPS when EBIT is :

- a) ₹ 4,80,000
- b) ₹ 6,00,000