

INDIRA UNIVERSITY, PUNE

SCHOOL OF COMMERCE AND ECONOMICS- M.COM

Term End Examination (2025 Pattern) December – 2025 - Semester – I

Subject Name: Financial Management
Subject Code: 25MOC106T

Max. Marks: 50
Time: 2:30 Hrs.

Instructions

- All questions are compulsory

CO #	Cognitive Ability	Course Outcome
CO1	Remember	Recall and describe the fundamental concepts, objectives and scope of financial management and the key functions involved in financial decision - making
CO2	Understand	Explain the structure interpretation and significance of financial data and statements for effective managerial decision making
CO3	Apply	Apply appropriate financial tools and analytical techniques to evaluate organizational performance and support business decisions
CO4	Analyse	Analyse various financial decisions – including investments, financing and working capital management to determine their impact on organizational efficiency and value creation.
CO5	Evaluate	Evaluate alternative financial strategies and policies by assessing risk, cost and returns to support effective resource allocation.
CO6	Create	Formulate and design comprehensive financial plans and policies that ensure long term suitability and profitability of an organization

Q1.	<p>Fill in the blanks. (Attempt any 5 out of 7) (Marks 5)</p> <p>1. The facts collected and recorded in the financial statements are _____. (Historical evidence, Future evidence, None of these)</p> <p>2. Long term investment decisions are taken for _____. (Purchase of current assets, Repayment of short term loan, purchase of Fixed Assets)</p> <p>3. A credit policy given guidelines regarding _____. (To grant/reject credit to customer, to grant/reject credit to government, none of these)</p> <p>4. Fund flow analysis shows _____. (Sources and application, Profit or Loss, Income and Expenditure)</p>	CO1
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	<p>5. Indian Financial System is controlled by _____ bank. (Reserve Bank of India, State Bank of India, Industrial Development Bank of India).</p> <p>6. The Indian money market deals with _____ (Long-term securities, Short-term funds, Foreign exchange only)</p> <p>7. In a lease agreement _____ is the owner of the Assets. a) Lessor b) Lessee c) Bankers d) Factor</p>																																																																																																							
Q2.	<p>Write Short notes. (Attempt any 3 out of 5) (Marks 15)</p> <p>1. Financial Analysis 2. Average Rate of Return 3. Objectives of Financial Management 4. ARR Method 5. Sources of working Capital</p>	CO 2 and 3																																																																																																						
Q3	<p>What are Financial Statements? Explain the nature and importance of Financial Statements. (Marks 10)</p> <p style="text-align: center;">OR</p> <p>Prepare a Comparative Balance Sheet for Gamma Ltd. (₹ crores):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Liabilities</th> <th style="text-align: center;">31-03-24</th> <th style="text-align: center;">31-03-25</th> <th style="text-align: center;">Assets</th> <th style="text-align: center;">31-03-24</th> <th style="text-align: center;">31-03-25</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td style="text-align: center;">500</td> <td style="text-align: center;">600</td> <td>Land & Building</td> <td style="text-align: center;">350</td> <td style="text-align: center;">385</td> </tr> <tr> <td>Reserves & Surplus</td> <td style="text-align: center;">1,500</td> <td style="text-align: center;">2,000</td> <td>Plant & Machinery</td> <td style="text-align: center;">280</td> <td style="text-align: center;">336</td> </tr> <tr> <td>Long Term Borrowings</td> <td style="text-align: center;">300</td> <td style="text-align: center;">240</td> <td>Equipment</td> <td style="text-align: center;">50</td> <td style="text-align: center;">60</td> </tr> <tr> <td>Trade Payables</td> <td style="text-align: center;">850</td> <td style="text-align: center;">1,050</td> <td>Computers</td> <td style="text-align: center;">75</td> <td style="text-align: center;">82</td> </tr> <tr> <td>Other Liabilities</td> <td style="text-align: center;">1,400</td> <td style="text-align: center;">1,650</td> <td>Furniture & Fittings</td> <td style="text-align: center;">35</td> <td style="text-align: center;">37</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Vehicles</td> <td style="text-align: center;">110</td> <td style="text-align: center;">132</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Intangible Assets</td> <td style="text-align: center;">45</td> <td style="text-align: center;">47</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Gross Block</td> <td style="text-align: center;">945</td> <td style="text-align: center;">1,079</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Less: Depreciation</td> <td style="text-align: center;">370</td> <td style="text-align: center;">425</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Net Block</td> <td style="text-align: center;">575</td> <td style="text-align: center;">654</td> </tr> <tr> <td></td> <td></td> <td></td> <td>CWIP</td> <td style="text-align: center;">45</td> <td style="text-align: center;">43</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Inventories</td> <td style="text-align: center;">40</td> <td style="text-align: center;">52</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Trade Receivables</td> <td style="text-align: center;">680</td> <td style="text-align: center;">920</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Cash & Equivalents</td> <td style="text-align: center;">1,800</td> <td style="text-align: center;">1,950</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Other Assets</td> <td style="text-align: center;">1,410</td> <td style="text-align: center;">1,921</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: center;">4,550</td> <td style="text-align: center;">5,540</td> <td>Total Assets</td> <td style="text-align: center;">4,550</td> <td style="text-align: center;">5,540</td> </tr> </tbody> </table>	Liabilities	31-03-24	31-03-25	Assets	31-03-24	31-03-25	Equity Share Capital	500	600	Land & Building	350	385	Reserves & Surplus	1,500	2,000	Plant & Machinery	280	336	Long Term Borrowings	300	240	Equipment	50	60	Trade Payables	850	1,050	Computers	75	82	Other Liabilities	1,400	1,650	Furniture & Fittings	35	37				Vehicles	110	132				Intangible Assets	45	47				Gross Block	945	1,079				Less: Depreciation	370	425				Net Block	575	654				CWIP	45	43				Inventories	40	52				Trade Receivables	680	920				Cash & Equivalents	1,800	1,950				Other Assets	1,410	1,921	Total Liabilities	4,550	5,540	Total Assets	4,550	5,540	CO5 and 6
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Q4	<p>Define Working Capital. Explain nature and factors affecting Working Capital. (Marks 10)</p> <p style="text-align: center;">OR</p> <p>From the given data prepare Gross Working Capital and Net Working Capital.</p> <table border="1" data-bbox="370 390 1276 1318"> <thead> <tr> <th>Particulars</th> <th>Amount / Details</th> <th>Particulars</th> <th>Period/ Details</th> </tr> </thead> <tbody> <tr> <td>Advance Tax to be Paid</td> <td>₹ 85,000</td> <td>Credit from Suppliers</td> <td>1 Month</td> </tr> <tr> <td>Cash and Bank Balance</td> <td>₹ 1,20,000</td> <td>Credit to Customers</td> <td>1.5 Months</td> </tr> <tr> <td>Cash Purchases</td> <td>50%</td> <td>Finished Goods Stock</td> <td>1.5 Months</td> </tr> <tr> <td>Cash Sales</td> <td>60%</td> <td>Raw Material Stock</td> <td>1 Month</td> </tr> <tr> <td>Contingency on Net Working Capital</td> <td>10%</td> <td>Work-in-Progress Stock</td> <td>1 Month</td> </tr> <tr> <td>Direct Labour per Unit</td> <td>₹45</td> <td>Lag in Payment of Direct Wages</td> <td>1 Month</td> </tr> <tr> <td>Direct Material per Unit</td> <td>₹ 55</td> <td>Lag in payment of Overheads</td> <td>1.5 Month</td> </tr> <tr> <td>Overheads per Unit</td> <td>₹ 35</td> <td>Annual Units Produced and sold</td> <td>96,000 Units</td> </tr> </tbody> </table>	Particulars	Amount / Details	Particulars	Period/ Details	Advance Tax to be Paid	₹ 85,000	Credit from Suppliers	1 Month	Cash and Bank Balance	₹ 1,20,000	Credit to Customers	1.5 Months	Cash Purchases	50%	Finished Goods Stock	1.5 Months	Cash Sales	60%	Raw Material Stock	1 Month	Contingency on Net Working Capital	10%	Work-in-Progress Stock	1 Month	Direct Labour per Unit	₹45	Lag in Payment of Direct Wages	1 Month	Direct Material per Unit	₹ 55	Lag in payment of Overheads	1.5 Month	Overheads per Unit	₹ 35	Annual Units Produced and sold	96,000 Units	CO5 and 6
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