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**2017**

(December)  
(Held in January 2018)

**COMMERCE**

Paper : 201

**(Financial Management)**

Full Marks : 80

Time : Three hours

**The figures in the margin indicate full marks for the questions.**

*Answer the following.*

1. (a) "Financial Management is an integral part of General Management process in most companies". Examine the statement. 16

**Or**

- (b) What is the traditional concept of finance and how do you see the transition to the new approach ? 16

*Contd.*

2. (a) Who needs financial information for analysis ? What information is needed and for what purposes ?  $8+8=16$

**Or**

- (b) The following figures apply to a small manufacturing company.

	Rs.
Annual sales for the previous year	2,30,000
Profit after tax for the previous year	13,340
Budget annual sales for the next year	2,42,000
Budgeted profit after tax for the next year	14,278

In the first of the two years, the average total assets amounted to Rs. 2,00,000, and are estimated to be Rs. 2,20,000 for the next year. Assuming full budget realization and taking turnover into account, what alteration will take place in the ratio representing return on capital employed and what are the reasons ?  $16$

3. (a) Explain Public issue of Equity and Rights issue of Equity shares.

$8+8=16$

**Or**

(b) Explain how would go for reporting of ordinary shares. 16

4. (a) What is trade credit ? How would you stretch Account payable ? 8+8=16

**Or**

(b) Write a note on Commercial and Captive Finance Companies. 16

5. (a) Give an overview of Global Derivatives Markets with special reference to Global derivatives recent trends exchange-traded *vs* OTC Market. 16

**Or**

(b) Give an overview of Derivatives Market structure in India with special reference to forward contracts. 16

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