Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MCA- Ist SEMESTER–EXAMINATION – MAY/JUNE - 2012

Subject code: 610007 **Date: 05/06/2012**

Subject Name: Enterprise Resources & Financial Management

Time: 02:30 pm – 05:00 pm **Total Marks: 70**

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1 **(a)** The following balances have been extracted from the books of the UR Ltd. as on 31st March 2010. **14**

Particulars	Dr. (Rs.)	Cr. (Rs.)
Plant & Machinery	300000	
Motor Car	150000	
Furniture & Fixtures	60000	
Creditors		280000
Provident Fund		120000
Public Deposit		30000
Unsecured Loan		200000
Debtors	315000	
Office & Administrative Expenses	43000	
Preliminary Expenditures	30000	
Advance payment of Income Tax	40000	
Purchases & Sales	900000	1300000
Bank Overdraft		40000
Opening Stock	330000	
Salaries	150000	
Share Capital		400000
General Reserves		80000
Commission	4000	
Sales Expenses	130000	
Misc. Income		2000
	2452000	2452000

Additional Information:
Closing stock of goods at cost is Rs. 450000.
Depreciation is to be charged on the W.D.V. @ 25% on Plant & Machinery, 10% on Furniture & Fixtures and 20% on Motor Car.
Provide 2% as provision for bad debt on debtors.
Preliminary expenditures are to be written off.

Prepare the final accounts from the above information.

Q.2 **(a)** The condensed financial statements of PQ Ltd. are as under: **07**

P & L Account for the year ended on 31.03.2010			
Particulars	Rs.	Particulars	Rs.
Opening Stock	9000	Sales	280000
Purchases	180000	Closing Stock	12000
Octroi	1000		
Gross Profit (c/d)	102000		
	292000		292000
Salaries	18000	Gross Profit (b/d)	102000
Sales expenses	8000	Commission	3000
Depreciation	35000		
Interest	3000		
Tax	9000		
Net Profit (c/d)	32000		
	105000		105000

Balance Sheet as on 31.03.2010			
Liabilities	Rs.	Assets	Rs.
Share Capital	200000	Fixed Assets	300000
General Reserves	40000	Less: Accu. Depreciation	100000
15% Term Loan	20000	Net Fixed Assets	200000
Creditors	40000	Stock	12000
Bank Overdraft	7000	Debtors	65000
Unpaid expenses	8000	Cash & Bank	24000
		Misc. Expenditures	14000
	315000		315000

Additional Information:
(1) Take 360 days in an year
(2) Opening balance of debtors Rs. 70000

Calculate:
(1) Liquid Ratio (2) Gross Profit Ratio (3) Inventory Turnover (4) Average Age of debtors (5) Debt-equity Ratio

(b) Do you consider depreciation as a source of funds? Why? Discuss any one method for calculating depreciation with example. **07**

OR

(b) The trading results of XY Ltd. for the two years have been: **07**

	2009	2010
Sales	600000	900000
Profit	120000	225000

Calculate: (1) The P/V Ratio and total fixed expenses.
(2) The break-even level of sales.
(3) Sales required to earn a profit of 300000.

Q.3 (a) Prepare a cash budget for the quarter Oct-Dec 2011 using the following information: **07**

Particular	Aug	Sept	Oct	Nov	Dec
Cash Sales	50000	42000	50000	45000	48000
Credit Sales	58000	62000	69000	63000	70000
Purchases	70000	74000	92000	105000	115000
Non-operating income	11000	14000	12000	18000	13000
Manufacturing Expenses	76000	105000	90000	92000	98000

Additional Information:
(1) Credit sales are collected as under:
50% same month 50% following month
(2) 40% of purchases are cash and credit purchases are paid in the following month
(3) Time-lag in the payment of expenses:
Manufacturing Exp. ½ month Administrative Exp. 1 month
(4) Advance Tax of Rs. 20000 is payable during December.
(5) Assume the cash balance on 1/10/2011 is Rs. 100000.

(b) Define capital Budgeting. Explain various types of capital budgeting proposals. **07**

OR

Q.3 (a) XYZ Ltd. is presently considering the project having following features: **07**

Initial project cost: Rs. 240000
Estimated life: 5 years
Terminal Scrap value: Rs. 20000
Operating Cash Flows are as:

Particulars	Yr – 1	Yr – 2	Yr – 3	Yr – 4	Yr – 5
Sales	160000	200000	180000	140000	150000
Expenses (Cash)	100000	90000	80000	70000	60000

The Company depreciate its investments under the Straight Line Method. The tax rate for the company is 40%. The company's present cost of capital is 12%

Evaluate the project under the following methods:
Pay-back Period
Accounting Rate of Return
Net Present Value
The discounted values of a rupee @12% for the 5 years are:
0.893, 0.797, 0.712, 0.636, 0.587

(b) In what way is variance analysis helpful to a company management? **07**

Q.4 (a) State the difference between: **07**
(1) Fixed Costs and Variable Costs
(2) Profit & Loss Account and Balance Sheet

(b) Explain the following: **07**
(1) Compensating Errors
(2) Capital and Drawings

OR

Q.4 **(a)** ABC Ltd. provide following data, **07**

Selling Price per unit: Rs. 5.00
Variable Cost per unit: Rs. 3.00
Unit sold 2000
Fixed Cost Rs. 3000.
Calculate:
(1) B.E.P. (in Units and Rs.) (2) Margin of Safety (3) Profit, and (4) Profit where 2000 units are sold.

(b) State the difference between Accounting and Auditing. Explain the importance of Computerized Accounting System in the modern business. **07**

Q.5 **(a)** What is ERP? Explain in details, the tangible and intangible benefits of the ERP System. **07**

(b) Define 'Data Mining'. Discuss the technologies used in Data Mining. **07**

OR

Q.5 **(a)** Define OLAP and BPR. Discuss the different styles of OLAP. **07**

(b) Discuss the common myths about ERP. State the different modules of ERP system. **07**

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