



Biyani Girls College
I Internal Examination 2019-20
B.COM. (II Year)
Subject- Financial management

Time: 1.30 Hrs.

Set: A

MM: 40

[I] Multiple Choice Questions

(10*1=10)

1(d), 2(c), 3(d), 4(b), 5(d), 6(a), 7(a), 8(b), (10) 0.5:1

(9)

$$EOQ = \sqrt{\frac{2SD}{H}}$$

Ans1) Material storage period = $\frac{32000 \times 365}{4,40,000}$

4,40,000

= 26.545 days

Conversion period = $\frac{35000 \times 365}{10,00,000}$

10,00,000

= 12.775 days

Finished goods storage period = $\frac{26000 \times 365}{10,50,000}$

10,50,000

= 9.038 days

Debtors collection period = $\frac{48000 \times 365}{16,00,000}$

16,00,000

= 10.95 days

Operating cycle period = 26.545 + 12.775 + 9.038 + 10.95 – 16 = 43.308 days

Working capital required = $\frac{10,50,000 \times 43.308}{365}$

365

$$= \text{Rs. } 1,24,584.66$$

Ans.2) EOQ = 1095 units

$$= (2 * 12000 * 12) / 0.24 = 1200000$$

Square root of 1200000 = 1095 units

ROL = 1500 units

$$= 15 * 33.33 + 1000$$

Safety stock = 1000 units

$$= (12000 / 360) * 30$$

Ans.3) Average inventory = 40,000

Opening stock = Rs35,000, Closing stock = Rs45,000

Purchases = Rs. 3,30,000

$$3,20,000 = 35000 + \text{Purchases} - 45000$$

Average payment period = 27.65 days

Creditor turnover ratio = $3,30,000 / 25000 = 13.2$

Average payment period = $365 / 13.2 = 27.65$ days