

GUJARAT TECHNOLOGICAL UNIVERSITY**MCA – SEMESTER - I • EXAMINATION – WINTER 2012****Subject code: 610007****Date: 04/01/2013****Subject Name: Enterprise Resources and 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)** Write a note on importance of ERP to a company. **07**
- (b)** Define Journal. Discuss the various types of Accounts with examples and explain the Accounting rules of Debit-Credit for the purpose of recording in the Journal. **07**

- Q.2 (a)** From the following Trading and Profit and Loss Account of Mahesh & Co. for the year 31st March, 2011: **07**

Particulars	Rs.	Particulars	Rs.
To Opening Stock	60,000	By Sales	4,00,000
To Purchases	2,75,000	By Closing Stock	75,000
To Wages	25,000		
To Gross Profit C/d	1,15,000		
	4,75,000		4,75,000
To Admin Exp.	45,000	By Gorss Profit B/d	1,15,000
To Selling and Distri. Exp.	10,000	By Interest on Investment	10,000
To Office Exp.	5,000		
To Non Operating Exp.	15,000		
To Net Profit	50,000		
	1,25,000		1,25,000

Calculate :

- (1) Gross Profit Ratio
- (2) Operating Ratio
- (3) Operating Profit Ratio
- (4) Net Profit Ratio

- (b)** Define Depreciation. Explain the methods of Depreciation. **07**

OR

- (b)** The following details are extracted from the cost records of Shivhari Engineering Ltd., For the production of a standard item at 50% and 60% capacity. Prepare the flexible budget for the 80% and 100% capacity utilization for the year ending on 31st December 2010, assuming that no changes would occur in the following cost patterns. **07**

Cost Item	50% Capacity (10000 Units) Total Rs.	60% Capacity (12000 Units) Total Rs.
Material cost	50,000	60,000
Labour Cost	20,000	24,000
Inspection Cost	2,250	2,300
Power	5,200	5,700
Depreciation	10,000	10,000
Insurance and Taxes	800	800
Administrative Overheads	7,000	8,200
Selling Overheads	1,500	1,600

- Q.3 (a)** From the following Trial Balance of Shri Sachin Tendulkar, prepare Trading Account and Profit and Loss Account for the year ending 31-3-2011 and the Balance Sheet as on that date : **10**

Particulars	Debit Rs.	Credit Rs.
Sundry Debtors	31,000	-
Sundry Creditors	-	21,000
Purchases	70,000	-
Discount	3,000	-
Capital	-	1,25,000
Productive wages	17,500	-
Sales	-	1,35,000
Motorcar	5,000	-
Stock on hand (1-4-2010)	58,500	-
Salaries	12,000	-
Travellir	5,000	-
Carriage	2,350	-
Insurance	5,550	-
Commission	1,425	-
Machinery	45,000	-
Building	20,000	-
6% Loan (1-7-2010)	-	38,000
Rent and Taxes	6,000	-
Cash on hand	2,500	-
Bank Balance	24,170	-
Repairs	550	-
Sundry Expenses	1,955	-
Interest on 6% Loan	1,500	-
Advertisement Exp.	6,000	-
	3,19,000	3,19,000

Adjustments :

- 1) Closing stock is valued at Rs.80,000 on 31-3-2011.
- 2) Depreciate Building by 2.5%, Machinery by 5% and Motor by 7.5 %. There was an addition of Rs. 5,000 to building on 1-10-2010.
- 3) Prepaid rent and taxes Rs. 400.
- 4) Provide reserve for discount at 2.5 % on debtors and creditors.
- 5) Outstanding Insurance Rs. 200
- 6) Provide Reserve for Bad debts Rs. 1,500
- 7) 60% advertisement expenses is carried forward to next year.

(b) What are the advantages of Ratio Analysis? 04

OR

Q.3 (a) Following detail relate to Ganesh Enterprise for a current capital investment proposal developed by finance department of the company: 10

1. Initial capital investment Rs. 1,00,000
2. Life of the project 5 years
3. Estimated scrap value Rs. 10,000
4. Income from sales and Other Expenses are as follows :

	t1	t2	t3	t4	t5
Sales	30000	40000	42000	58000	62000
Exp.	12000	15000	18000	21000	23000

Company Provides depreciation on SLM Method. Tax rate is 40% Calculate : (1) PBP (2) ARR (3) NPV (8% Cost of Capital) (4) PI and (5) IRR

(b) Write short notes on Fixed Budget and Flexible Budget 04

Q.4 (a) From the following prepare Cash Budget for the period from 1st March to 31st August 2011 when the opening Cash balance would be Rs.20000. 10

Month	Sales (All credit) (Rs.)	Selling Expense s (Rs.)	Purchase s (All credit) (Rs.)	Wages (Rs.)	Factory Expense s (Rs.)	Administr ative and Selling Expenses (Rs.)

January	1,70,000	7,000	80,000	15,000	10,000	5,000
February	1,60,000	7,500	84,000	16,000	11,000	5,500
March	1,82,000	6,500	83,000	16,800	8,000	4,500
April	1,55,000	6,800	83,000	12,000	10,500	4,700
May	1,65,000	7,400	76,000	18,000	12,000	5,400
June	2,00,000	7,000	68,000	16,000	9,600	5,700
July	1,80,000	6,000	70,000	17,000	8,000	5,000
August	2,20,000	5,500	58,000	16,500	9,600	5,500

- a) Period of credit allowed by suppliers and to customers: 1 month
- b) Lag in payment of (1) Wages 1/8th month (2) Other expenses 1 month.
- c) Machinery purchased for Rs.50000 in March.
- d) Building purchased in April for Rs.150000 payable in two equal installments in May and July.
- e) Commission at 3% on sales payable two months after sales.

(b) Differentiate Journal and Ledger? 04

OR

Q.4 (a) Explain following methods of Project Management their critical Justification. 07
(1) NPV (2) ARR (3) PBP

Q.4 (b) What is Standard Costing ? Explain its advantages and disadvantages in Detail 07

Q.5 (a) Discuss the advantages of ERP to an organization. 05

(b) Discuss various people related issues that affect ERP management. 05

(c) List different phases of BPR. Explain first phase in detail. 04

OR

Q.5 (a) How does ERP system create value for an organization? 05

(b) Discuss quantifiable benefits of ERP systems. 05

(c) Explain the characteristics of data in data warehouse. Also describe the architecture of data warehouse in brief. 04
