

GUJARAT TECHNOLOGICAL UNIVERSITY**MCA - SEMESTER-I • EXAMINATION – WINTER 2013****Subject Code: 610007****Date: 26-12-2013****Subject Name: Enterprise Resources & Financial Management****Time: 02:30 pm TO 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) Define ERP and briefly explain its characteristics. **07**
(b) List out the advantages of ERP and explain any seven. **07**

- Q.2** (a) Name all ERP modules. Explain how ERP systems can improve the performance of the organization by integrating the different functional modules. **07**
(b) (i) Write short note on Ledger. **03**
(ii) Prepare a table showing the differences between Trial Balance and Balance Sheet **04**

OR

- (b) ABC Corporation purchased earth moving equipment for Rs.2,00,000/-. The equipment was expected to be useful for 8 years, or 1,500 hours, with an estimated residual value of Rs.20,000 at the end of that time. The equipment logged 200 hours in the first year and 300 hours in the second year. You are required to compute depreciation expense for the first year and second year under each of the following methods:
(1) Straight line method, (2) Written Down Value method, (3) Machine Hour Rate Method **07**

- Q.3** (a) Write short note on Fixed Budget and Flexible Budget with suitable examples. **07**
(b) The P/V Ratio of a company is 50% and the Margin of safety is 40 %. Find out the BEP and profit, if the sales are Rs. 1,00,00,000. **07**

OR

- Q.3** (a) Define 'Data Mining'. Discuss the technologies used in Data Mining. **07**

- (b) On 30th September, 2010, the Balance Sheet of XYZ Ltd. Was as under:

07

Liabilities	Rs.	Assets	Rs.
Equity shares of Rs. 10 each, fully paid up	20,000	Equipments (at cost)	20,000
Reserves	10,000	Less: Deprecation	5,000
Trade creditors	40,000	Stock	15,000
Proposed dividend	15,000	Trade debtors	20,000
		Balance at bank	15,000
	85,000		35,000
			85,000

The company is developing a system of forward planning and on 1st October, 2010 it supplied the following information: (Rs.)

Month	Sales		Purchases (Credit)
	Credit	Cash	
October, 2010 (Budgeted)	18,000	5,000	23,000
November, 2010 (Budget)	20,000	6,000	27,000
December, 2010 (Budgeted)	25,000	8,000	26,000

All the debtors allowed one month's credit and are expected to settle promptly. All trade creditors are paid in the month following delivery.

On 1st October, 2010, all equipments were replaced at a cost of Rs. 30,000. Rs. 14,000 was allowed in exchange of the old equipment and a net payment of Rs. 16,000 was made.

The proposed dividend will be paid in December, 2010.

The following expenses will be paid:

Wages: Rs. 3,000 per month

Administration: Rs. 1,500 per month

Rent Rs. 3,600 for the year up to 30th September, 2011 (to be paid in October, 2010)

Prepare Cash Budget for the period from 1-10-2010 to 31-12-2010.

- Q.4 (a)** Define OLAP. Discuss the different styles of OLAP.

07

- (b)** Calculate: Material Price, Usage and Cost Variances:

07

Standard:

Materials for 70 kg Finished products: 100 kg.

Price of materials: Re. 1 per kg.

Actual:

Output: 2,10,000 kg.

Materials used: 2,80,000 kg.

Cost of materials: Rs. 2,52,000

OR

- Q.4 (a)** Give a classification of variances and briefly explain the reasons for variances.

07

- Q.4 (b)** A company is considering which of two mutually exclusive projects it should undertake. The company anticipates a cost of capital of 10% and after tax cash flows of the projects are as follows: **07**

Year	0	1	2	3	4	5
Cash Flows (figures in '000)						
Project X	(200)	35	80	90	75	20
Project Y	(200)	218	10	10	4	3

Required:

- Calculate the NPV and PI.
- State, with reasons, which project you would recommend.

The discount factors are as follows:

Year	0	1	2	3	4	5
Discount Factors: 10%	1	0.91	0.83	0.75	0.68	0.62
20%	1	0.83	0.69	0.58	0.48	0.41

- Q.5 (a)** The following data relate to the financial statements of XYZ Ltd: **07**

Particulars	Rs. (in lakh)
Equity Share Capital (Rs. 10 each)	160
Reserves	100
10% Debentures	140
Net Fixed Assets	240
Net Current Assets	160
Sales	500
Cost of Goods Sold	350
Operating Expenses including depreciation	90

Calculate the following ratios; assuming 360 days in a year and investments in securities as NIL and tax rate of 50%.

- Rate of Return on Investment (ROI)
- Rate of Return on Equity (ROE)
- Stock Turnover Ratio assuming opening and closing stocks at Rs. 20 lakh and Rs. 30 lakh respectively.
- Interest Coverage Ratio.
- Earnings per Share.
- Book Value per share.

- (b)** Explain Pay-back method and IRR method of project evaluation. **07**

OR

- Q.5 (a)** Do you consider depreciation as a source of funds? Why? List out the important methods of calculating depreciation and explain any one of them in detail with example. **07**

- (b)** What is BPR? Explain the activities involved in building the reengineering organization. **07**
