

HERAMB COACHING CLASSES

Yogeshwar Tower, Katemanivali, Kalyan (East)

TYBCOM/MGT

Marks:30

Duration:1 Hour

Date:05/10/2018

Q.1. From the following data provided by M/s Alpha Ltd estimate working capital requirements for the year ended 31st March 2014

- 1) Estimated activity/ operation for the year 2,60,000 units (52 Weeks)
- 2) Raw materials remains in stock for 2 weeks and production cycle takes 2 weeks
- 3) Finished goods remaining in stock for 2 weeks
- 4) 2 weeks credit is allowed by suppliers
- 5) 4 weeks credit is allowed to debtors
- 6) Time lag in payment of wages and overheads is 2 weeks each
- 7) Cash and bank balance to be maintained Rs. 25,000
- 8) Selling price per unit Rs. 15
- 9) Analysis of cost per unit as follows:
 - (a) Raw material is Rs 5 per unit
 - (b) Labour and overhead is Rs 3 per unit and Rs 2 per unit respectively
 - (c) Profit is at Rs. 5 per unit

Assume that operations are evenly spread throughout the year.

(15)

Q.2. From the following information provided by M/s P & Co. Pvt. Ltd., prepare a statement showing Working Capital requirements for the year 2010-11:

- (a) Estimated Production and sales is 1,08,000 units p.a.
- (b) Estimated cost structure ratio to selling price – Raw Material 60%, Labour 20% and Overheads 10%.
- (c) Selling price Rs. 20 per unit.
- (d) Raw Materials remain in stock for 2 months.
- (e) Material remains in process for 1 month.
- (f) Finished goods remain in stock for 1 month.
- (g) Customers are allowed 2 months credit
- (h) Suppliers allow 1 month credit.
- (i) Time lag in payment of wages is one month.
- (j) Time lag in payment of overheads is half a month.
- (k) Cash and bank Balance is expected to be 25% of the debtors.
- (l) Provide a Margin of Safety at 10%.
- (m) Debtors are to be calculated at selling price.
- (n) During the manufacturing process Labour and Overhead accrue evenly.

(15)