STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2025 – 2026)

B. COM. DEGREE EXAMINATION, APRIL 2026
BANKING, FINANCE AND ENTREPRENEURSHIP
SECOND SEMESTER

COURSE : CORE
PAPER : STRATEGIC FINANCIAL PLANNING
SUBJECT CODE : 25BF/MC/SF25
TIME : 3 HOURS **MAX. MARKS: 100**

<table>
<tr><td></td><td>SECTION A</td><td></td><td></td></tr>
<tr><td>Q. No.</td><td>Answer all the questions not exceeding 50 words: (4 x 2.5 = 10)</td><td>CO</td><td>KL</td></tr>
<tr><td>1.</td><td>What is strategic financial planning?</td><td>1</td><td>K1</td></tr>
<tr><td>2.</td><td>Recall the meaning of cash flow.</td><td>1</td><td>K1</td></tr>
<tr><td>3.</td><td>Write a short note on Activity Based Budgeting.</td><td>1</td><td>K1</td></tr>
<tr><td>4.</td><td>What is time series?</td><td>1</td><td>K1</td></tr>
<tr><td></td><td>SECTION B</td><td></td><td></td></tr>
<tr><td>Q. No.</td><td>Answer all the questions: (4 x 5 = 20)</td><td>CO</td><td>KL</td></tr>
<tr><td>5.</td><td>Calculate Gross Profit Ratio from the following figures:
Sales – Rs.10,00,000
Sales Return – Rs.1,00,000
Gross Profit – Rs.3,15,000</td><td>2</td><td>K2</td></tr>
<tr><td>6.</td><td>Prepare production budget for the half year ending June 2023 from the following information.
<table><tr><th>Product</th><th>Budgeted Sales Quantity (Units)</th><th>Actual Stock on 31/12/2022 (Units)</th><th>Desired Stock on 30/06/2023 (Units)</th></tr><tr><td>S</td><td>20,000</td><td>4,000</td><td>5,000</td></tr><tr><td>T</td><td>50,000</td><td>6,000</td><td>10,000</td></tr></table></td><td>2</td><td>K2</td></tr>
<tr><td>7.</td><td>Calculate trend value by the method of semi averages.
<table><tr><td>Year</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>Production</td><td>102</td><td>105</td><td>114</td><td>110</td><td>108</td><td>116</td><td>112</td></tr></table></td><td>2</td><td>K2</td></tr>
<tr><td>8.</td><td>From a bag containing 10 black and 20 white balls, a ball is drawn at random. What is the probability that the ball is black?</td><td>2</td><td>K2</td></tr>
<tr><td></td><td>SECTION C</td><td></td><td></td></tr>
<tr><td>Q. No.</td><td>Answer any two questions (theory answers not exceeding 500 words) (2 x 10 = 20)</td><td>CO</td><td>KL</td></tr>
<tr><td>9.</td><td>Discuss the various classifications of budgets.</td><td>3</td><td>K3</td></tr>
<tr><td>10.</td><td>Given below are the figures of production in a sugar factory. Fit a trend line by the method of least squares.
<table><tr><td>Year</td><td>2017</td><td>2018</td><td>2019</td><td>2020</td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>Production</td><td>80</td><td>90</td><td>92</td><td>83</td><td>94</td><td>99</td><td>92</td></tr></table></td><td>3</td><td>K3</td></tr>
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11. From the following balance sheet, prepare cash flow statement. — 3 — K3

Liabilities	2022(Rs.)	2023(Rs.)	Assets	2022 (Rs.)	2023 (Rs.)
Share Capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
Profit & Loss A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	**6,36,000**		**5,60,000**	**6,36,000**

SECTION D

Q. No.	Answer any two questions: (2 x 10 = 20)	CO	KL

12. Below given are the figures of production (in thousand tonnes) of coal mine: — 4 — K4

Year	2013	2015	2016	2017	2018	2019	2022
Production('000 tonnes)	80	95	104	93	100	110	108

a. Fit a straight line trend by the method of the least squares and calculate trend values.
b. What is the monthly increase in production of coal?
c. Eliminate the trend.

13. A company which supplies its output on contract basis as component to an assembling firm has a contract to supply 10,000 units of its only product during 2023. The following were the budgeted expenses and revenue. — 4 — K4

Material Rs.15/unit
Wages Rs.10/unit
Work Expenses – Fixed Rs.40,000
Variable Rs.4/unit
General Expenses (all fixed) Rs.60,000
Profit is 20% on sale price.
Prepare fixed budget for 2023 showing cost and profit.

14. A bag contains 5 white and 3 black balls. Two balls are drawn at random one after the other without replacement. — 4 — K4
Find the probability that both balls drawn are black.

SECTION E

Q. No.	Answer any two questions : (2 x 15 = 30)	CO	KL

15. From the following data, obtain regression equation of Y on X and regression equation of X on Y. — 5 — K5

X	6	2	10	4	8
Y	9	11	5	8	7

16. From the data given below, calculate seasonal indices using average method for I, II, III, and IV quarters assuming that the trend is absent. — 5 — K5

Year /Quarter	**I**	**II**	**III**	**IV**
2019	40	35	38	40
2020	42	37	39	38
2021	41	35	38	40
2022	45	36	36	41
2023	44	38	38	42

<table>
<tr>
<td>17.</td>
<td>A company furnishes its balance sheet for the years 2022 and 2023 and requests you to prepare a comparative balance sheet for those years.
<table>
<tr><th>Liabilities</th><th>2022</th><th>2023</th><th>Assets</th><th>2022</th><th>2023</th></tr>
<tr><td>Equity share capital</td><td>80,000</td><td>80,000</td><td>Land & Building</td><td>80,000</td><td>74,000</td></tr>
<tr><td>8% Debenture</td><td>80,000</td><td>90,000</td><td>Plant & Machinery</td><td>60,000</td><td>54,000</td></tr>
<tr><td>Retained earnings</td><td>40,000</td><td>49,000</td><td>Furniture</td><td>20,000</td><td>28,000</td></tr>
<tr><td>Sundry Creditors</td><td>50,000</td><td>70,000</td><td>Inventory</td><td>40,000</td><td>60,000</td></tr>
<tr><td>Bills payable</td><td>10,000</td><td>15,000</td><td>Debtors</td><td>40,000</td><td>80,000</td></tr>
<tr><td></td><td></td><td></td><td>Cash</td><td>20,000</td><td>8,000</td></tr>
<tr><td></td><td>2,60,000</td><td>3,04,000</td><td></td><td>2,60,000</td><td>3,04,000</td></tr>
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<td>5</td>
<td>K5</td>
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<td>18.</td>
<td>A company produces and sells a product for which total capacity of 2000 units exists. The following expenses are for the production of 1000 units of the product which is sold at Rs.130 per unit.
<table>
<tr><th>Particulars</th><th>Per Unit (Rs)</th></tr>
<tr><td>Direct Materials</td><td>20</td></tr>
<tr><td>Direct Wages</td><td>30</td></tr>
<tr><td>Administrative Overheads (Constant)</td><td>20</td></tr>
<tr><td>Selling expenses (50% Fixed)</td><td>10</td></tr>
<tr><td>Distribution expenses (25% Fixed)</td><td>20</td></tr>
<tr><td></td><td>100</td></tr>
</table>
You are required to prepare a flexible budget for the production and sale of 1200 units, 1600 units and 2000 units, showing clearly the marginal (Variable) cost and total cost at each level.</td>
<td>5</td>
<td>K5</td>
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