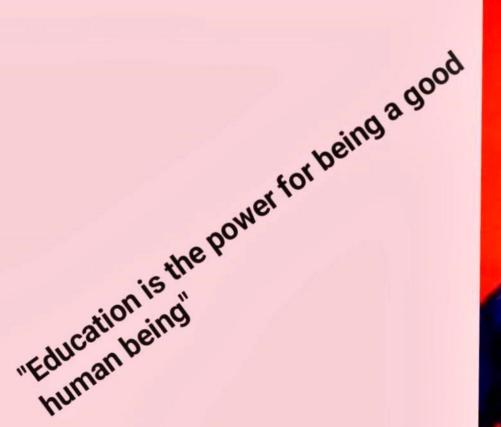
## DR. UTTAM KUMAR

DEPARTMENT OF COMMERCE

Class -UG Fourth Semester Session -2023-27 Paper -MJC-5 Subject -Business Finance Mob -8210561032





lustration 4	
From the particulars given below, you are required to apital Requirements:	calculate the Working
(a) Expenses:	₹
Wages	<b>52,000</b> p.a.
Materials and Stores	9,600 p.a.
Office Salaries	12,480 p.a.
Rent	<b>2,000</b> p.a.
Other Expenses	9,600 p.a.
(b) Average Amount of Stocks to be Maintained:	And the state of t
Stock of Finished Goods	1,000
Stock of Materials and Stores	1,600
(c) Expenses paid in Advance:	

(c) Expenses paid in Advance:	
Quarterly Advance	<b>1,60</b> 0 p.a.
(d) Sales:	
Home Market	<b>62,40</b> 0 p.a.

15,600 p.a.

 $1\frac{1}{2}$  weeks

 $1\frac{1}{2}$  months

 $\frac{1}{2}$  month

6 months

 $1\frac{1}{2}$  months

6 weeks

 $1\frac{1}{2}$  weeks

1,600

1,000

400

7,200

450

10,650

rore	eigh Market	
(e) Lag	in Payment of Expenses:	

Wages	
Materials and Stores	
Office Salaries	

Other Expenses

(f) Credit allowed to Customers: Home Market

Foreign Market

Rent

## Solution Statement showing Working Capital Requirement

Current Assets:
Stock of Materials and Stores
Stock of Finished Goods

Expenses paid in advance  $1,000 \times \frac{.3}{12}$ 

## **Debtors**:

Home Market (6 weeks): 
$$62,400 \times \frac{6}{52}$$
  
Foreign Market  $\left(1\frac{1}{2} \text{ weeks}\right)$ :  $15,600 \times \frac{3}{2} \times \frac{1}{52}$ 

Less: Current Liabilities:

Creditors for Materials and Stores  $\left(1\frac{1}{2} \text{ months}\right)$ : 9,600  $\times \frac{3}{24}$  1,200 Creditors for Expenses:

Wages  $52,000 \times \frac{3}{104}$  1,500