MMs-III Subject Marketing		Marketing Finance(MF03)	
Roll No.		Marks	30 Marks
Total No. of Questions	5	Duration	2 Hours
Total No. of printed pages	2	Date	03-11.2014

Note: Q1 is compulsory and solve any TWO from the remaining FOUR questions.

1. Solve Any One from the Following. (Marks 10)

1. A company need 24,000 unit of raw materials which costs Rs. 20 per unit and ordering cost is expected to be Rs. 100 per order. The company maintains safety stock of 1 month's requirement s to meet emergency. The holding cost of carrying inventory is supposed to be 10% per unit of average inventory. Find out Economic Lot Size, Ordering Cost, Holding Cost, Total Cost.

2. A firm is proposing strict collection polices. At present the firm sales 36,000 units with the average collection period of 60 days. Collection charges amount to Rs. 10,000 and bad debts are 3% of sales. If collection procedures are tightened, it will reduce the collection period to 40 days and bad debts losses to 1% of sales. However it involves additional collection charges of Rs. 20,000 and the sales decline by 500 units. If selling price is Rs. 32, average cost is Rs. 28 and variable cost is Rs. 25, whether the form should implement the policy? Assume 20% rate of return.

3. ABC Co. Ltd. wishes to arrange overdraft facilities with its bankers during the period April to June 1987 when it will be manufacturing most for stock. Prepare a cash budget for the above period from the following data, indicating the extent of the bank facility the company will require at the end of each month.

Month	Sales	Purchases	Wages
February	1,80,000	1,24,000	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

Additional information: Creditors are paid in the month following the month of purchase.

Cash at Bank of 1.4.87 Rs. 25,0000 & All sales are credit sales, 50% of credit sales

Are realized in the month following the sales and the remaining 50% in the second month of purchase.

Attempt any TWO from the remaining FOUR Questions

Q2) *Any two from (a) or (b) or (c)* ———————— *(5x2) = 10 Marks*

a) Explain in detail the concept of EOQ
b) What are the drawbacks of Excessive Inventory?
c) Explain the impact of marketing research expenditure and its impact on marketing Investments.

Q3) *Any two from (a) or (b) or (c)* ———————— *(5x2) = 10 Marks*

a) Sales Revenue is an integral element of cost. Explain?
b) Explain the financial implications of developing and launching new product.
c) Explain the concept of Marketing Budget.

Q4) *Any two from (a) or (b) or (c)* ———————— *(5x2) = 10 Marks*

a) What is the concept of financial incentive in Marketing?
b) How is Return on Investment important in Product pricing?
c) Justify the Marketing Research Expenditure.

Q5) Write Short notes on *Any Two* (10 Marks)

a) Branding
b) Credit Policy
c) Importance of Advertising Budget