

12 Explain the factors influencing for declaration of dividends of a corporate entity.

13 From the following details, show working capital requirements of a company:

Budgeted Sales (Rs.10 per Unit) Rs.2,60,000 p.a.

Analysis of one rupee of Sales:

Raw Materials	0.30
Wages	0.40
Overheads	<u>0.20</u>
Total Cost	0.90
Profit	<u>0.10</u>
Sales	1.20

It is estimated that:

(1) Raw materials are carried in stock for 3 weeks and finished goods for 2 weeks.

(2) Factory processing will take 3 weeks

(3) Suppliers will give 5 weeks credit

(4) Customers will require 8 weeks credit

It may be assumed that production and overheads accrue evenly throughout the year.

14 Discuss the economic rationale of corporate mergers in recent times.

15 Explain the basic principles of good corporate governance.

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