

The after-tax cost of different sources of finance is as below :

Equity share capital	- 14%
Retained earnings	- 13%
Preference share capital	- 10%
Debentures	- 5%

- V. A. What do you mean by short-term financing? Briefly explain the different forms of short-term financing available to industrial units in India.

OR

- B. Harisankar furnishes you the following information :

	Year 2009	
	First half (Rs.)	Second half (Rs.)
Sales	8,10,000.00	10,26,000.00
Profit earned	21,600.00	64,800.00

From the above information you are required to compute the following, assuming that the fixed cost remains the same during both the periods :

- (i) P/V Ratio
- (ii) Fixed cost
- (iii) The amount of profit or loss when sales are Rs. 6,48,000.00
- (iv) The amount of sales required to earn a profit of Rs. 1,08,000.00
- (v) Break even point.
