BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

2nd SEMESTER (BATCH 2019-21)

CLASS TEST - I

CORPORATE FINANCE (18MBA201)

Total Marks : 30   **Time: 1½ Hours**

1. Explain the following terminology :   **(10x1=10)**

  a) Business Finance
  b) Investment Decision
  c) Dividend Decision
  d) Financial Asset
  e) Capital Structure
  f) Compounding
  g) Agency Cost
  h) Systematic Risk
  i) Standard Deviation
  j) CAPM

2. Answer any two of the following :   **(2x5=10)**

  a. Mr X deposits Rs.5, 000 at the beginning of each year for 5 years in a bank and the deposits earn a compound interest @ 8% p.a. Determine how much money will have at the end of 5 years.(Calculate by using Annuity Compound Factor Tables Where the compound interest@8% for 5 years the value is 5.867)

  b. What statistical techniques would you use to measure the risk of a portfolio?

  c. Why is the time value of money considered important for the finance manager? Explain.

3. Answer any one of the following :   **(1x10=10)**

  a. *i)* In what ways is the wealth maximising objective superior to the profit maximisation objective? (5 Marks)
  ii) If you deposits Rs 5000 today at 6 percent rate of interest, in how many years will this amount double? Work out this problem by using the rule of 72 and rule of 69 .   (5 Marks)

  b. Explain the various scope of financial management. What role should the financial manager play in modern enterprise?   (10 Marks)

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BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

2nd SEMESTER (BATCH 2018-20)

CLASS TEST - I

CORPORATE FINANCE (18 MBA 201)

Total Marks : 30   **Time: 1½ Hours**

1. Answer all the Questions.   (10x1=10)

   i)   Why Wealth maximization is better than Profit maximization for investors?
   ii) Why Liquidity is a challenge for Profitability? Give two reasons.
   iii) Briefly explain the relevance of risk return trade-off?
   iv) What is Time value of money? Why it is important?
   v)   Assuming a rate of 10% annually, find FV of Rs 1000/- after five years.
   vi) Why Bills are not sold rather discounted?
   vii) What is ADR &GDR? Explain in brief.
   viii) Find PV of Rs. 1000/- due in 5 years if the discount rate is 10%.
   ix) If the discount rate is lowered, what will happen to the present value?
   x)   What is the name of the interest earned on interest and on the original principals?

2. Answer any two.   (2x5=10)

i) Your neighbor offers you an investment opportunity which will pay a single lump sum of Rs. 20,000/- five years from today. The investment requires a single payment of Rs 15000/- today. What is the annual rate of return on this investment?

ii) Mr. Avinash has invested Rs 40000/- @8% interest compounded quarterly for 3years. Calculate the maturity value and Effective rate of interest?

iii) Distinguish between Profit maximization and Wealth maximization?

3. Answer any one.   (1x10=10)

i) An Entrepreneur investing funds on long term basis to maximize wealth there by maximizing value of the firm. Elucidate the statement in the light of long term sustainability and growth of the firm?

ii) Mr X has invested funds @ 6% for 5 years. Followings are the series of cash inflow over the next 5 years. Calculate the investment Money of Mr. X by applying discount value factor?

Year	Cash Inflow	Year	Cash Inflow
1ST	20000/-.	4TH	20000/-.
2ND	27000/-.	5TH	24000/-.
3RD	28000/-.		

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BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

2ⁿᵈ SEMESTER (BATCH 2017-19)
CLASS TEST - I

FINANCIAL MANAGEMENT (MNG-203)

Total Marks : 30   **Time: 1½ Hours**

(Answer as per the instruction given in each question)

Q.1   Explain the following terminology.   **[10x1=10]**
A) Business Finance
B) Investment Decision
C) Dividend Decision
D) Financial Asset
E) Capital Structure
F) Compounding
G) Agency Cost
H) Systematic Risk
I) Standard Deviation
J) Risk & Return Trade-off

Q.2.   Answer any two Questions :   **[2x5=10]**

a. Mr X deposits Rs.5, 000 at the beginning of each year for 5 years in a bank and the deposits earns a compound interest @ 8% p.a. Determine how much money will have at the end of 5 years.
b. What statistical techniques would you   use to measure the risk of a portfolio?
c. Why is the time value of money considered important for the finance manager? Explain.

Q. 3.   Answer any one Question.   **[1x10=10]**

a. *i)* In what ways is the wealth maximising objective superior to the profit maximisation objective?   (5)

ii) Calculate the compound value of Rs.10,000 at the end of 3 years at 12% rate of interest when interest is calculated on (a) Yearly basis and (b) quarterly basis.   (5)

b. Explain the various scope of financial management. What role should the financial manager play in a modern enterprise?   (10)

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BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

2nd SEMESTER (BATCH 2016-18)
CLASS TEST - I

FINANCE MANAGEMENT (MNG-203)

Total Marks : 30   **Time: 1½ Hours**

(Answer as per the instruction given in each question)

1. **Answer all the questions.**   **[10x1=10]**
   a) What is finance?
   b) What is cut off rate?
   c) What is agency cost?
   d) What is pay-out ratio?
   e) What is risk premium?
   f) What is risk-return trade off?
   g) What is time value of money?
   h) What is effective interest rate?
   i) What is sinking fund?
   j) What is annuity due?

2. **Answer any two of the followings:**   **[2x5=10]**

   a) What are basic financial decisions?
   b) What role should the finance manager play in a modern enterprise?
   c) Generally individuals show a time preference for money. Give reasons for such a preference.

3. In what ways is the wealth maximizing objective superior to the profit maximization objective? Explain.   (10 Marks)

                                OR

a) Exactly ten years from now Mr. X will start receiving a pension of Rs. 3000/- a year. The payment will continue for sixteen years. How much is the pension worth now, if Mr. X's interest rate is 10 percent?   (8 Marks)

b) What rate of interest would you earn if you deposit Rs. 1000 today and receive Rs. 1762 at the end of five years?   (2 Marks)

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BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT STUDIES

2ⁿᵈ SEMESTER (BATCH 2015-17)
CLASS TEST - I

FINANCE MANAGEMENT (MNG-203)

Total Marks : 30   **Time: 1½ Hours**

(Answer as per the instruction given in each question)

1. **Answer all the questions.**   **[1x10=10]**

    a) What is time value of money?
    b) What is annuity?
    c) What is sinking fund?
    d) What is risk premium?
    e) What is rule 72?
    f) What is EPS?
    g) What is agency cost?
    h) What is annuity due?
    i) What is effective interest rate?
    j) What do you mean by continuous compounding?

2. **Answer any two of the followings:**   **[5x2=10]**

    a) What role should the finance manager play in a modern enterprise?
    b) What are the basic financial decisions?
    c) If the nominal interest rate is 12 % p.a., calculate the EIR when a sum is compounded (a) annually (b) semi- annually (c) quarterly and (d) monthly
    d) Compute the present value of Rs. 4000 cash inflow at the beginning of each year of the next five years using a discount rate of 10 percent p.a.

3. In what ways is the wealth maximizing objective superior to the profit maximization objective? Substantiate your answer.   **[10x1=10]**

OR

                                                                            [05x2=10]
    a) Hari is planning for his retirement. He is 40 years old today and would like to have Rs. 4 lakhs when attends the age 60. He intends to deposit constant amount of money at 10 % each year in the Public Provident Fund in the SBI to achieve his objectives. How much money should Hari invest at the end of each year, for the next 20 years, to obtain Rs. 4 lakhs at the end of the period?
    b) If a person deposits Rs.1000 on account that pays him 10 percent for the first five years and 13 percent for the following eight years, what is the annual compound rate of interest for the 13 year period?

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