OR

- (b) Explain the concept of annuity in detail and then solve the below problem by using annuity formula. Suppose ₹ 1,080 are deposited at the end of each year for the next five years at 12% rate of interest. How much will be the future value in such (CO1) case?
- A company paid a dividend of ₹ 100 last year. The dividend stream commencing from year one is expected to grow at 9% per annum for 5 years and then end. If the discount rate is 18%, what is the present value of the expected series? (CO1)

the (a) What are the role NO a financial manager

(b) What is multi-period compounding? Write a detailed note about it while mentioning the formula used and the (CO1) concept behind it.

ET.O.

3. (a) What do we understand by the concept of risk diversification? Also, explain about systematic, unsystematic and total risk with an example. (CO1)

demiled complete No challent believed

(b) Define Bonds. Mention their features. Also, write a detailed note while classifying them in different categories.

(CO1) We lead the below solve the below

BCH-202

What do we understand by Capital Budgeting Decisions? What are the types of investment decision which needs to be taken while doing capital budgeting?

OR composition of code to

(b) What is NPV? Also, solve the below problem:

Suppose you make an investment of ₹ 35,000 which will provide annual cash inflow of ₹ 7,480 for 5 years. The opportunity cost of capital is 12%, what is

actor of a terest Rai

0.935

0.873

0.816 0.763

0.713

0,666 0.623

> 0.582 0.544

0.508

0.475 0.444

0.415 0.388

0.362

0.339 0.317

0.296

0.277 0.258

0.1843

0.1312

0.0671

0.034

the investment's NPV in such a case ? Give your analysis on the basis of the value of NPV obtained.

5. (a) What do we understand by IRR? Give a detailed comparative analysis between NPV and IRR.

Also, write a SO siled note, while

(b) What is PI method under discounted cash flow techniques? Also, solve the below problem:

> The initial cash outlay of a project is ₹ 80,000 and it can generate cash inflow of ₹ 45,000; ₹ 20,000; ₹ 35,000 in year 1 through 3. Assume 11% rate of discount. Calculate the PI of the project on the basis (CO2) of above information.

(b) What is NPV ? Also, solve the below

Suppose you linke an investment of 7 35,000 which will provide annual each Table C: Present Value Factor of a

	4		94	ARIB	1.120.0	0.620-1	Interest Rai
ENC 22	1%	2%	3%	4%	5%	6%	7%
Year	0.990	0.980	0.971	0.962	0.952	0.943	0.935
	0.980	-0.961	0.943	0.925	0.907	0.890	0.873
2	0.971	0.942	0.915	0.889	0.864	0.840	0.816
3		0.924	0.888	0.855	0.823	0.792	0.763
4	0.961	0.906	0.863	0.822	0.784	0.747	0,713
5	0.951		0.837	0.790	0.746	0.705	0,666
6	0.942	0.888		0.760	0.711	0.665	0.623
7	0.933	0.871	0.813	0.731	0.677	0.627	0.582
8	0.923	0.853	0.789	and let if the	0.645	0.592	0.544
9	0.914	0.837	0.766	0.703		CHARLES	
10	0.905	0.820	0.744	0.676	0.614	0.558	0.508
11	0.896	0.804	0.722	0.650	0.585	0.527	0.475
12	0.887	0.788	0.701	0.625	0.557	0.497	0.444
13	0.879	0.773	0.681	0.601	0.530	0.469	0.415
14	0.870	0.758	0.661	0.577	0.505	0.442	0.388
15	0.861	0.743	0.642	0.555	0.481	0.417	0.362
16	0.853	0.728	0.623	0.534	0.458	0.394	0.339
17	0.844	0.714	0.605	0.513	0.436	0.371	0.317
18	0.836	0.700	0.587	0.494	0.416	0.350	0.296 3
	0.828	0.686	0.570	0.475	0.396	0.331	0.277 1
19		0.673	0.554	0.456	0.377	0.312	0.258
20	0.820					0.233	0.1849
25	0.780	0.610	0.478	0.375	0.295		
30	0.742	0.552	0.412	0.308	0.231	0.174	0.1312
40-	0.672	0.453	0.307	0.208	0.142	0.097	0.0671
50	0.608	0.372	0.228	0.141	0.087	0.054	0.034

inflow of \$ 7,480 for 5 years. The

2.

) -	-4120		0. 0.	F-03.17	188.0	0.661	- 570.0 I	nterest Rate		en a transporter la lagra subsensi sudia fili sen	4.000	11%	12%	13%	4% 0.877
	Year	1%	2%	3%	4%	5%	6%	7%	8%	9%	and the second persons and the second	0.901	0.893		0.877
	1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	#CT-0	0.797		0.769
	2	0.980	-0.961	0.943	0.925	0.907	0.890	0.873	0.857	0.842	0.826	0.812	0.712		0.675
		0.971	0.942	0.915	0.889	0.864	0.840	0.816	0.794	0.772	0.751	00000	0.636		0.592
	3	0.961	0.924	0.888	0.855	0.823	0.792	0.763	0.735	0.708	0.683	0.659	0,567		0.519
	5	0.951	0.906	0.863	0.822	0.784	0.747	0.713	0.681	b.650	0.621	0.593	0.507		0.456
		0.942	0.888	0.837	0.790	0.746	0.705	0,666	0.630	0.596	0.564	0.535			0.400
	16 7	0.933	0.871	0.813	0.760	0.711	0.665	0623	0.583	0.547	0.513	0.482	0.452	2	0.351
		0.923	0.853	0.789	0.731	0.677	0.627	0.582	0.540	0.502	0.467	0.434	0.404	0.376	0.308
	8	0.914	0.837	0.766	0.703	0.645	0.592	0.544	0.500	0.460	0.424	0.391	0.361	0.333	
	9	0.905	0.820	0.744	0.676	0.614	0.558	d .508	0.463	0.422	0.386	0.352	0.322	0.295	0.270
	10	0.896	0.804	0.722	0.650	0.585	0.527	0.475	0.429	0.388	0.350	0.317	0.287	0.261	. 0.237
	11	0.887	0.788	0.701	0.625	0.557	0.497	0.444	0.397	0.356	0.319	0.286	0.257	0.231	0.208
	12	0.879	0.773	0.681	0.601	0.530	0.469	0.415	0.368	0.326	0.290	0.258	0.229	0.204	0.182
	13	0.870	0.758	0.661	0.577	0.505	0.442	0.388	0.340	0.299	0.263	0.232	0.205	0.181	0.160
	14	0.861	0.743	0.642	0.555	0.481	0.417	0.362	0.315	0.275	0.239	0.209	0.183	0.160	0.140
		0.853	0.728	0.623	0.534	0.458	0.394	0.339	0.292	0.252	0.218	0.188	0.163	0.141	0.123
		0.844	0.714	0.605	0.513	0.436	0.371	0.317	0.270	0.231	0.198	0.170	0.146	0.125	0.10
	17	0.836	0.700	0.587	0.494	0.416	0.350	0.296	0.250	0.212	0.180	0.153	0.130	0.111	0.09
	18	0.828	0.686	0.570	0.475	0.396	0.331	0.277	0.232	0.194	0.164	0.138	0.116	0.098	0.00
	19			0.554	0.456	0.377	0.312	0.258	0.215	0.178	0.149	0.124	0.104	0.087	0.0
	20	0.820	0.673		0.375	0.295	0.233	0.184	0.146	0.116	0.092	0.074	0.059	0.047	0.0
	25	0.780	0.610	0.478			0.174	0.131	0.099	0.075	0.057	0.044	0.033	0.026	0.0
	30	0.742	0.552	0.412	0.308	0.231							0.011	100.0	0.0
3.	40-	0.672	0.453	0.307	0.208	0.142	0.097	0.067	0.046	0.032			0.003		0.0
	50	0.608	0.372	0.228	0.141	0.087	0.054	0.034	0.021	0.013	0.009	0.003		, 0.002	

Mark S-World

(Contd...)

2016 C	Contd.		*			Intere	st Rate .					30%	40%
ear	15%	16%	17%	18%	19%	20%	21%		23%	24%	The second secon		0.714
1	0.870	0.862	0.855	0.847	0.840	0.833	0.826	0.820	0.813	0.806	0.800	0.769	0.510
2	0.756	0.743	0.731	0.718	0.706	0.694	0.683	0.672	0.661	0.650	0.640	0.592	0.364
3	0.658	0.641	0.624	0.609	0.593	0.579	0.564	0.551	0.537	0.524	0.512	0.455	State I
	0.572	0.552	0.534	0.516	0.499	0.482	0.467	0.451	0.437	0.423	0.410	0.350	0.260
4 ,10	0.497		0.456	0.437	0.419	0.402	0.386	0.370	0.355	0.341	0.328	0.269	0.186
5		0.410	0.390	0.370	0.352	0.335	0.319	0.303	0.289	0.275	0.262	0.207	0.133
6	0.432	0.354	0.333	0.314	0.296	0.279	0.263	0.249	0.235	0.222	0.210	0.159	0.095
	0.376		0.285	0.266	0.249	0.233	0.218	0.204	0.191	0.179	0.168	0.123	0.068
8	0.327	0.305	0.243	0.225	0.209	0.194	0.180	0.167	0.155	0.144	0.134	0.094	0.048
9	0.284			0.191	0.176	0.162	0.149	0.137	0.126	0.116	0.107	0.073	0.035
	0.247			0.162	√ 0.148	0.135	0.123	0.112	0.103	0.094	0.086	0.056	0.025
11			0.178		0.124	0.112	0.102	0.092	0.083	0.076	0:069	0.043	0.018
12			0.152	0.137	0.104	0.093	0.084	0.075	0.068	0.061	0.055	0.033	0.013
13	0.163	0.145	0.130	0.116		0.078	0.069	0.062	0.055	0.049	0.044	0.025	0,009
14	0.141	0.125	0.111	0.099	0.088	0.065	0.057	0.051	0.045	0.040	0.035	0.020	0.006
15		0.108	0.095	0.084	0.074		0.037	0.042	0.036	0.032	0.028	0.015	0.005
16		0.093	0.081	0.071	0.062	0.054		0.034	0.030	0.026		0.012	0.00
17		0.080	0.069	0.060	0.052	0.045	0.039		0.024	0.023	160	0.009	0.00
18	0.081	0.069	0.059	0.051	0.044	0.038	0.032	0.028		0.02	PRESENTED TO SERVICE	0.007	0.00
19	0.070	0.060	0.051	0.043	0.037	0.031		0.023	0.020		211	0 1910	0.0
20	0.061	0.051	0.043	0.037	0.031	0.026	0.022	0.019	0.016		77C-U 990C-	•	0.0
25	0.030	0.024	0.020	0.016	0.013	0.010	0.009	0.007	0.006				0.
30	0.015	0.012	0.009		0.005	0.004	0.003	0.003	0.002	0.0			
8.00.0	0.007	0.003	0.002	0.002	0.001	0.001	0.000	0.000	0.00	0.0	0.00		
40 50	0.004	0.003	0.002	250.0		0.00	0.00	0.00	0.00	0.0	0.00	00.0	0 0

1.6.60 - (52.0)

\$5,00.0

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Table D: Present Value Factor of an Annuity (PVFA) of ₹1

							Interest Ro	ite		điji.				
Year	1%	2%	3%	4%	5%	6%	7%	8%	900	10%	11%	12%	13%	14%
1	0.990	0.980	0.971	0.962	0.952	0.943	0.935	0.926	0.917	0.909	0.901	0,893	0.885	0.827
2	1.970	1.942	1.913	1.886	1.859	1.833	1.808	1.783	1,759	1.736	1.713	1.690	1.668	1.647
3	2.941	2.884	2.829	2.775	2.723	2.673	2.624	2.577	2.531	2.487	2.444	2.402	2.361	2 322
4	3.902	3.808	3.717	3.630	3.546	3,465	3.387	3.312	3.240	3.170	3.102	3.037	2.974	2.914
5	. 4.853	4.713	4.580	4.452	4.329	4.212	4.100	3.993	3.890	3.791	3.696	3.605	3.517	3 433
6	5.795	5.601	5.417	5.242	5.076	4.917	4.767	4.623	4.486	4.355	4.231	4.111	3.998	3.889
7	6.728	6.472	6.230	6.002	5.786	5.582	5.389	5.206	5.033	4.868	4.712	4.564	4.423	4.288
8	7.652	7.325	7.020	6.733	6.463	6.210	5.971	5.747	5.535	, 5.335	5.146	4.968	4.799	4.639
9	8.566	8.162	7.786	7.435	7.108	6.802	6.515	6.247	5.995	5.759	5.537	5.328	5.132	4.946
10	9.471	8.983	8.530	8.111	7.722	7.360	7.024	6.710	6.418	6.145	5.889	5.650	5.426	5.216
11	10.368	9.787	9.253	8.760	8.306	7.887	7.499	7.139	6.805	6.495	6.207	5.938	5.687	5.453
12	11.255	10.575	9.954	9.385	8.863	8.384	7.943	7.536	7.161	6.814	6.492	6.194		5.660
13	12.134	11.348	10.635	9.986	9.394	8.853	8.358	7.904	7.487	7.103	6.750	6.424		5.842
14	13.004	12.106	11.296	10.563	9.899	9.295	8.745	8.244	7.786	7.367	6.982	6.628		6.002
15	13.865	12.849	11.938	11.118	10.380	9.712	9.108	8.559	8.061	7.606	7.191	6.811	6.462	6.142
16	14.718	13.578	12.561	11.652	10.838	10.106	9.447	8.851	8.313	7.824	7.379	6.974	6.604	6.265
17	15.562	14.292	13.166	12.166	11.274	10.477	9.763	9.122	8.544	8.022	7.549	7.120	6.729	6.373
18	16.398	14.992	13.754	12.659	11.690	10.828	10.059	9.372	8.756	8.201	7.702	7.250	6.840	
19	17.226	15.678	14.324	13.134	12.085	11.158	10.336	9.604	8.950	8.365	7.839	7.366	6.938	
20	18.046	16.351	14.877	13.590	12.462	11.470	10.594	9.818	9.129	8.514	7.963	7.469	7.025	
25	22.023	19.523	17.413	15.622	14.094	12.783	11.654	10.675	9.823	9.077	8.422	7.843		
30	25.808	22.396	19.600	17.292	15.372	13.765	12.409	11.258	10.274	9.427			7.330	
10	32.835	27.355	23.115	19.793	17.159	15.046	13.332	11.925	10.757		8.694	8.055	7.496	
50	39.196	31.424	25.730	21.482	18.256	15.762	13.801	12.233	10.962	0.,,0	8.951 9.042	8.244 8.304	7.634 7.675	

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1	5: FOI:	£91	

BCH-202

Tabl	e D Contd.						interest the	1					- 1
3	4.64	7,47		al (45		Inter	rest Rate	1754					1007
Year	15%	16% to 1	17%	18%	19%	20%	21%	22%	2,3%	24%	25%	30%	40%
1	0.870	0.862	0.855	0.847	0.840	0.833	0.826	0.820	0.813	0.806	0.800	0.769	0.714
2	1.626	1.605	1.585	1.566	1.547	1.528	1.509	1.492	1.474	1.457	1.440	1.361	1.224
.3	2.283	2.246	2.210	2.174	2:140	2.106	2.074	2.042	2.011	1.981	1.952	1.816	. 1.589
4	2.855	2.798	2.743	2.690	2.639	2.589	2.540	2.494	2.448	2.404	2.362	2.166	1.849
5	3.352	3.274	3.199	3.127	3.058	2.991	2.926	2.864	2.803	2.745	2.689	2.436	2.035
6	3.784	3.685	3.589	3.498	3.410	3.326	3.245	3.167	3.092	3.020	2.951	2.643	2.168
7-	4.160	4.039	3.922	3.812	3.706	3.605	3.508	3.416	3.327	3.242	3.161	2.802	2.263
8	4.487	4.344	4.207	4.078	3.954	3.837	3.726	3.619	3.518	3.421	3.329	2.925	2.331
. 9	4.772	4.607	4.451	4.303	4.163	4.031	3.905	3.786	3.673	3.566	3.463	3.019	2.379
10	5.019	4.833	4.659	4.494	4.339	4.192	4.054	3.923	3.799	3.682	3.571	3.092	2.414
11	5.234	are = 5.029	4.836	4.656	4.486	4.327	4.177	4.035	3,902	3.776	3.656	3.147	2.438
12	5.421	5.197	4.988	4.793	4.611	4.439	4.278	4.127	3.985	3.851	3.725	3.190	2.456
13	5.583	5.342	5.118	4.910	4.715	4.533	4.362	4.203	4.053	3.912	3.780	3.223	2.469
14	5.724	5.468	5.229	5.008	4.802	4.611	4.432	4.265	4.108	3.962	3.824	3.249	2.478
15	5.847	5.575	5.324	5.092	4.876	4.675	4.489	4.315	4.153	4.001	3.859	3.268	2.484
16	5.954	5.668	5.405	5.162	4.938	4.730	4.536	4.357	4.189	4.033	3.887	3.283	2.489
17	6.047	5.749	5.475	5.222	4.990	4.775	4.576	4.391	4.219	4.059	3.910	3.295	2.492
18	6.128	5.818	5.534	5.273	5.033	4.812	4.608	4.419	4.243	4.080	3.928	3.304	2.494
19	6.198		5.584	5.316	5.070	4.843	4.635	4.442	4.263	4.097	3.942	3.311	2.496
20	6.259		5.628	5.353	5.101	4.870	4.657	4.460	4.279	4.110	3.954	3.316	2.497
25	6.464		5.766	5.467	5.195	4.948	4.721	4.514	4.323	4.147	3.985	3.329	2.499
30	6.566	6.177	5.829	5.517	5.235	4.979	4.746	4.534	4.339	X62.51 1791	3.995	3.332	2.500
			2.60	370.0		4.997	4.760	4.544	4.347	SHY IS THE	3.999	3.333	2.500
40	6.642	6.233	5.871	5.548	5.258	. 1							2.500
50	6.661	6 246	5.880	5.554	5.262	4.999	4.762	4.545	4.348	4.167	4.000	3.333	۵.30۱

Table D: Present Value Pactor