

Examination - University of Delhi

Name :- SANYAM JAIN

Programme Name :- CCBES) B.Com (H)

Semester :- VI

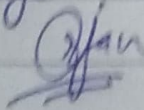
Examination Roll No. :- 17063504105

Unique Paper Code :- 22417001

Paper title :- FUNDAMENTALS OF INVESTMENT

Date and time of examination :- 14/08/24 11:30 AM

Name of College :- Sodhswadi College (Eve).

Signed :- 

Sanyam 17063504105

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Date: / /

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$i = 11\%$ time = 8 Year

Face value of bond = ₹ 1,000

Redemption value of bond = ₹ 1000 × (1.2)
= 1200

Year	Cash inflows	PUF (11%)	Present value of cash inflows
1	100	0.901	90.1
2	100	0.812	81.2
3	100	0.731	73.1
4	90	0.659	59.31
5	90	0.593	53.37
6	90	0.535	48.15
7	110	0.482	53.02
8	(110 + 1200)	0.434	568.54
	= 1310		<u>= 1026.8</u>

The maximum price an intending investor, expecting a return of 11% p.a. should pay 1026.8 for this bond.