



Term Evaluation (Even) Semester Examination March 2025

Roll no.....

Name of the Course: B. Com (H)
Semester: II
Name of the Paper: Business Finance
Paper Code: BCH-20X
Time: 1.5 hour

Maximum Marks: 50

Note:

- (i) Answer all the questions by choosing any one of the sub-questions
- (ii) Each question carries 10 marks.

Q1.

CO1 (10 Marks)

- a. Discuss the scope and objectives of Finance in the context of Business.
OR
- b. Calculate the future value of the investments of ₹1,00,000 and ₹1,50,000 that earns an annual interest rate of 5% and 7 % compounded annually for 5 years and 3 years respectively.

Q2.

CO2 (10 Marks)

- a. Elucidate with the help of examples the different types of risks and how they are quantified?
OR
- b. Consider two stocks, A and B. Stock A has an expected return of 12% and a standard deviation of 20%. Stock B has an expected return of 10% and a standard deviation of 15%. Which stock has a higher risk and potentially higher return? Give reasons for the same.

Q3.

CO2 (10 Marks)

- a. Explain the Capital Asset Pricing Model (CAPM) and how is it used in financial decision-making?
OR
- b. A company issues a bond with a par value of ₹1000, an annual coupon rate of 5%, and a maturity of 10 years. If the required rate of return is 6%, what is the present value of the bond?

Q4.

CO2 (10 Marks)

- a. Calculate the NPV of a Project when the Initial Investment= ₹100,000, Cash Flows over 5 years= ₹30,000 each year, Discount Rate=10%.
OR
- b. Discuss the Capital Budgeting Process in detail.

Q5.

CO2 (10 Marks)

- a. Discuss the Profitability Index and Capital Budgeting under Risk in the context of Capital Budgeting.
OR
- b. Bring out the differences with the help of examples between ARR (Accounting Rate of Return) and IRR (Internal Rate of Return).