KM'S NMIMS

SCHOOL OF TECHNOLOGY MANAGEMENT& ENGINEERING, NAVI-MUMBAI

Academic Year: 2022-2023

gram: B.tech **Stream:** CSBS **Year:** VI **Semester:** VII

bject: FINANCIAL MANAGEMENT **Time:** 45 MINS

te: 24/08/2022 **No. of Pages:** 2

rks: 20

Mid-Term Examination

tructions: Candidates should read carefully the instructions printed on the question paper and on cover of the Answer Book, which is provided for their use.

1) **Question No. 1 is compulsory.**
2) **Answer to each new question to be started on a new page.**
3) **Figures in brackets on the right-hand side indicate full marks.**
4) **Calculators are allowed.**
5) **Assume Suitable data if necessary.**

Q.No.	Statement of the question	CO/ SO/ BL	Marks
Q.1 (a)	Suppose you deposit Rs. 10000 with an investment company which pays 16% interest with quarterly compounding. How much will this deposit grow to in 5 years? 21911.23	Apply & Analyze	(2)
Q.1 (b)	Explain any three objectives of Financial Management.	Remember & Understand	(3)
Q.1 (c)	What are bonds ? Explain following bond terminologies (i) Par value (ii) Coupon rate (iii) Maturity Period	Remember & Understand	(3)
Q.2 (a)	The Premier Instruments Ltd's (PIL's) bonds have the following attributes: (i) par value is Rs. 100; (ii) coupon interest rate, 10 per cent; (iii) interest payment, annually; (iv) years remaining to its maturity date, 12. Find the	Apply & Analyze	(2)

	current sale value of the PIL's bonds if bonds of similar risk are currently earning 8 per cent rate of return. 115·4		
Q.2 (b)	You wish to accumulate Rs. 8,00,000 by the end of 5 years by making equal annual year-end deposit over the next 5 years. Assuming 7 percent rate of return, how much should you deposit at the end of each year to accumulate Rs. 8,00,000? 139112·55	Apply & Analyze	(2)
Q.2 (c)	The shares of ABC Ltd are currently selling for Rs.100 on which the expected dividend (D1) is 4. Compute the total return on the shares if the earnings or dividends are likely to grow at 5 per cent. 9%	Create	(3)
Q.2 (d)	XYZ Ltd. has borrowed Rs. 1000 to be repaid in equal instalments at the end of each of the next 3 years. The interest rate is 15%. Prepare a loan amortization schedule. What proportion of the instalment payable at the end of year 2, represents the principal repayment proportion? 75·6%	Apply & Analyze	(2)
Q.2 (e)	You can buy a ₹ 2000 par value bond carrying an interest rate of 15% p.a and maturing after 5 years for ₹ 1900. what will be your yield to maturity. 0·164	Apply & Analyze	(3)