Roll No									

National Institute of Technology Goa

Programme Name: **B.Tech.**

Mid Semester Examinations, March-2023

Course Name: Management
Date:17-03-2023
Duration: 1 h**our 30 minutes**

Course Code: HS 350
Time: 9.30:11.00AM
Max. Marks: **50**

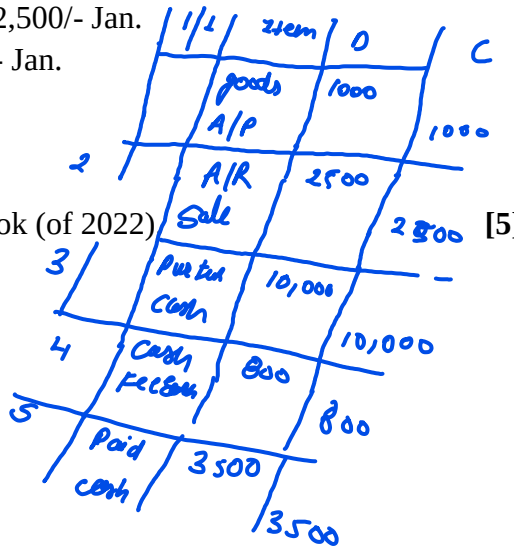
ANSWER ALL QUESTIONS

1. Differentiate between NPV and IRR. What is the possible conflict between them? How can it be solved? **[5]**

2. The required skills of managers change according to the level of hierarchy. Elaborate. **[5]**

3. Journalize the following transactions in the books of "Ketan." 2009 Jan. **[5]**

a. Purchased goods from Nalini on Credit Rs. 1000/-. Jan.
b. Sold goods to Mr. Sharma on credit Rs. 2,500/- Jan.
c. Purchased furniture for cash Rs. 10,000/- Jan.
d. Received interest Rs. 800 Jan
e. Paid salaries Rs. 3,500/-



4. Enter the following transactions in a simple cash book (of 2022) **[5]**

a. Started business with Cash Rs. 50,000
b. Made Cash purchases of Rs. 8,000
c. Made Cash Sales of Rs. 12,000
d. Purchased furniture Rs. 4,000
e. Received Cash from Mr. Kulkarni Rs. 8,000
f. Paid Salaries Rs. 5,000

5. Delia Martin has $10,000 that she can deposit in three savings accounts for three years. Bank A compounds interest annually, bank B compounds interest twice yearly, and bank C compounds each quarter. All three banks have a stated annual interest rate of 4%. **[6]**

I. What amount would Ms. Martin have at the end of the third year, leaving all interest paid on deposit in each bank?

II. What *effective annual rate* (*EAR*) would she earn in each bank?

6. As part of your financial planning, you wish to purchase a new car exactly five years from today. The vehicle you want to buy costs $14,000 today, and your research indicates that its price will increase by 2% to 4% per year over the next five years. **[6]**

a. Estimate the price of the car at the end of 5 years if inflation is (1) 2% per year and (2) 4% per year.

b. How much more expensive will the car be if the inflation rate is 4% rather than 2%?

7. Joan Messineo borrowed $15,000 at a 14% annual rate of interest to be repaid over three years. The loan is amortized into three equal end-of-year yearly payments.

a. Calculate the annual end-of-year loan payment. **[6]**

b. Prepare a loan amortization schedule showing the interest and principal breakdown of each loan payment.

c. Explain why the interest portion of each payment declines over time.

8. Fill the table **[6]**

SNO	Transactions	Name of account affected	Classification of account	Whether to be debited or Credited
1	Sujith Commenced business with cash			
2	Purchased goods for cash			
3	Sold goods on credit to Mr. Avinash			
4	Cash received from Mr. Avinash			
5	Cash deposited into the bank			

9. Determine the Average Rate of Return (Accounting Rate of Return) from the following data of two machines, A and B **[6]**

Particulars	M-A	M-B
Original cost of Machine	60,000	60,000
Net Working Capital	5,000	6,000
Scrap Value	3,000	3,000
Annual Income After Taxes:		
Year 1	4,000	12,000
Year 2	6,000	9,000
Year 3	8,000	8,000
Year 4	9,000	6,000
Year 5	12,000	4,000

END