Program:	**T.Y.B.Com(A&F)**	**Semester:**	**V**	**Program Code:**	**UGAF03**
Course:	**Financial Management-I**			**Course Code:**	**NUAF504**
Duration:	**2 Hour**	**Examination Pattern:**	**NEP-Autonomous**	**Max. Marks:**	**60**

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1		**Attempt the Following:**					[15]	CO's	KL's
	(a)	**Fill in the blanks with an appropriate answer from the alternatives given.**					[08]		
		I	A project requires an initial investment of ₹1,00,000 and generates annual cash inflow of ₹25,000. The Pay-Back Period is_____.						
			a.	2 years	b.	4 years			
			c.	3 years	d.	5 years			
		II	Initial investment is ₹2,00,000 and PV of cash inflows is ₹2,40,000. The NPV is_____.						
			a.	₹20,000	b.	₹40,000			
			c.	₹60,000	d.	₹80,000			
		III	A company has EPS of ₹10 and dividend per share of ₹4. The Dividend Payout Ratio is_____.						
			a.	20%	b.	30%			
			c.	40%	d.	50%			
		IV	A Mutual Fund has total assets of ₹50 lakh and liabilities of ₹5 lakh. If 9 lakh units are outstanding, the NAV per unit is_____.						
			a.	₹4	b.	₹5		CO1	
			c.	₹6	d.	₹7		CO2	
		V	A bond has a face value of ₹1,000 and coupon rate of 10%. The annual coupon is_____.					CO3	
			a.	₹50	b.	₹100		CO4	L3
			c.	₹150	d.	₹200			
		VI	A Mutual Fund has investments worth ₹80 lakh, cash ₹10 lakh and liabilities ₹10 lakh.If 10 lakh units are outstanding, the NAV is___.						
			a.	₹6	b.	₹7			
			c.	₹8	d.	₹9			
		VII	A ₹1,000 bond carries 12% coupon and is redeemable at par after 5 years. If required return is 10%, its value will be_____.						
			a.	Less than ₹1,000	b.	₹1,000			
			c.	More than ₹1,000	d.	Nil			

		VIII	A company has EBIT of ₹2,00,000 and debt of ₹5,00,000 carrying interest at 10%. The interest expense is_____.						
			a.	₹25,000	b.	₹40,000			
			c.	₹50,000	d.	₹60,000			
	(b)	**State whether the following statements are true or false.**					**[07]**		
		I	Pay-Back Period measures the time required to recover the initial investment.						
		II	The coupon rate is calculated on the face value of the bond.						
		III	Net Present Value is calculated by subtracting the present value of cash outflows from the present value of cash inflows.					**CO1**	
		IV	Increase in debt may increase financial risk of the firm.					**CO2**	**L1**
		V	NAV represents the value of each unit of a Mutual Fund.					**CO3**	**L2**
		VI	Capital structure refers to the mix of debt and equity used by a firm.					**CO4**	
		VII	Increase in the market value of investments increases the NAV of a Mutual Fund.						
Q. 2		**Solve the Following:**					**[15]**	**CO's**	**KL's**
	(a)	Company Rajshree and Company Kanchana are in the same risk class, and are identical in every respect except that company X uses debt, while company Y does not. The levered firm has ₹ 18,00,000 debentures carrying 10 percent rate of interest. Both the firms earn 20 percent operating profit on their total assets of ₹ 30 lakhs. Assume perfect capital markets, rational investors and so on; a tax rate of 35 percent and capitalisation rate of 15 percent. (a) Compute the value of firms X and Y using the Net Income (NI) Approach. (b) Compute the value of each firm using the Net Operating Income (NOI) Approach. (c) Using the NOI Approach, calculate the overall cost of capital (k_o) for firms X and Y. (d) Which of these two firms has an optimal capital structure according to the NOI Approach? Why?						**CO3**	**L3** **L5**
		OR							
	(b)	Meriba Ltd. has total Earnings of ₹ 30,00,000 and 15,00,000 outstanding Equity shares of ₹ 10 each. If the appropriate discount rate is 12% and Growth Rate is 10%, determine the price of the share using Gordon Model. What shall happen to the price, if the company has a payout of 60%, 40% and 20%.					**[15]**	**CO3**	**L3**
Q. 3		**Solve the Following:**					**[15]**	**CO's**	**KL's**

	(a)	A Mutual Fund Co. has the following assets under it on the close of business as on : Total No. of Units 6,00,000. 1. Calculate Net Assets Value (NAV) of the Fund. 2. Following information is given: Assuming Mr. Diwakar, submits a cheque of ₹ 50,00,000 to the Mutual Fund and the Fund manager of this company purchases 10,000 shares of B Ltd. and the balance amount is held in Bank. In such a case, what would be the position of the Fund? 3. Find new NAV of the Fund as on 2nd April 2026.		CO4	L3

Company	No. of Shares	1st April 2026 Market price per share	2nd April 2026 Market price per share
A Ltd.	20,000	20.00	20.50
B Ltd.	30,000	312.40	360.00
C Ltd.	20,000	361.20	383.10
D Ltd.	60,000	505.10	503.90

		OR			
	(b)	The following data is available for a bond. Face Value ₹ 1000 Coupon Rate 16% Years to Maturity 6 Redemption value ₹ 1,000 Yield to Maturity 17% a) Calculate the Current Market Price of the Bond. b) Also Calculate the duration of this bond.	[15]	CO4	L3
Q. 4		**Solve the Following:**	**[15]**	**CO's**	**KL's**
	(a)	Company Pathak requires an initial investment of ₹ 1,20,000. The estimated net cash flows are as follows: Using 10% as the cost of capital (rate of Discount), determine the following: (1) Pay-Back period (2) Net Present Value (3) Internal Rate of Return (4) Profitability Index		CO2	L3

Year	Net Cash Flows (₹)
1	21,000
2	21,000
3	21,000
4	21,000
5	21,000
6	24,000
7	30,000
8	45,000
9	30,000
10	12,000

		OR			

	(b)	**Write Shorts Notes on: (Any 3)**	**[15]**	**CO's**	**KL's**
	I	Need for Financial Planning			
	II	Modigliani and Miller Approach		**CO1**	
	III	Exchange Traded Funds		**CO2** **CO3**	**L4**
	IV	Risk Analysis of Capital Budgeting		**CO4**	
	V	Modified Rate of Return			

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