

PQ3ABG

Corporale finance
15/3/12

			51
Dur:	Q.1A) Multiple choice. (An	y 8)	(8)
2 /2 Hrs.	1) Goodwill is an example of	assets.	
12	a) Tangible	b) intangible	
	c) Ficticious	d) Current	
	2) SEBI Act was passed in th	e year	
	a) 1956		
	c) 1992	d) 1947	
	3) involves selling	of securities privately to a group of investors.	
	a) Public Issue	b) Buy back of shares	
	c) Right Issue	d) Private placements	
	4) is a regulatory a	authority over the entire capital markets in India.	
	a) SEBI	b) Stock-Exchange	
	c) RBI	d) IRDA	
		session of the goods passes on immediately on making the dowr	1
26	payment from the seller to th		
а. ,	a) Lease Agreement		
	c) Hire purchase agreement	d) License Agreement	
A	6) shares are iss	sued free of cost.	
	a) Equity b) Bor	nus	
3	c) Rights d) Pre-	ference	
	7) In a break even chart	is indicated.	
Ĉ.	a) Profit area	b) Margin of safety	
	c) Break even point	d) All the above	
	8) debentures as	re also called as mortgage debentures.	
	a) Secured b) Uns	secured	
	c) Registered d) Con	nvertible	
•	9) capital is that	part of the uncalled capital which may only be demanded on	
	winding up or liquidation of		
	a) Paid-up b) Res		
	c) Authorised d) Issu	ied	
		" in a mutual fund stands for	
	a) New Asset Value	b) Non-Achievable value	
	c) Net Asset Value	d) Net annual value	
		ving statements are True or False (any 7) (7)
		sion regarding raising of the capital structure.	
		tween maximum sales & BEP sales.	
	3) Cost of equity is zero.	a that there is no evened on shortest of each	
		s that there is no excess or shortage of cash.	
	5) Lien is the right of retenti	on. a corporate Governance practices in India.	
		gaged in accepting deposits and lending loans.	
		does not consider the time value of money.	
		n to the public to subscribe to its shares of debentures.	
	10) Lessee is the owner of the		

Q.2) From the following capital structure of Kimaya Ltd. calculate the weighted average (15)cost of capital.

Source	Amount	
Equity shares of Rs.10/- each	450000	
Retained Earnings	150000	
Preference shares capital	100000	
Debentures	300000	

The after tax cost of different sources of finance are equity share capital 14% retained earnings 13% preference share capital 10% and debentures 5%.

Q.2) What is corporate finance? State its features and also explain the role of treasurer and (15)controller in organisation.

Q.3) You are given the following information of Neha Ltd. for the year.

(15)

Particulars	Rs.
Sales (10,000 units)	1,20,000
Variable cost	48,000
Fixed cost	60,000

1) Calculate P/v ratio, Break Even point (in units and in rupees) and MOS (in units and

2) Evaluate the effect of the following on p/v ration, BEP & MOS when :-

a) 10% decrease in fixed cost.

b) 5% increase in selling price.

OR

Q.3) Noopur Ltd. is considering two mutually exclusive machines. Both require an initial Outlay of Rs.1,00,000 each and have a life of 5 years. The company's required rate of return is 10% and tax rate is 50%. The projects will be depreciated on a straight line basis. The net cash flows (PBT) are expected to be generated by the projects as follows:-

(15)

Year	Machine A	Machine B
1	40,000	60,000
2	40,000	30,000
3	40,000	20,000
4	40,000	50,000
5	40,000	50,000

Calculate: Payback period and state which machine should be purchased and why?

				14	- E
Year	1	2	3	4	3
	2000	0.006	0.751	0.683	0.621
pv@10%	0.909	0.826	0.731	0.003	0.021
F					

Q.4) Navnirmiti Ltd. is considering three financial plans. The key information is as follows:

(15)

a) Total investment is to be raised Rs.4,00,000

b) Plan of financing proportion.

•	
50%	
	50%
ĺ	50%

d) Tax rate 50%.

- e) Equity shares of the face value of Rs.10/- each will be issued at a premium of Rs.10/- per
- f) Expected EBIT is Rs.1,60,000/-

Determine for Each plan:-Earnings per share (EPS).

OR

Q.4) Prepare an amortization schedule from the following information, assuming that the amount payable is an equated annual installment.

(15)

Amount Borrowed	Rs. 22,000
Compound annual interest	@12%
Repayment period	6 years
Annual equal Installment (EAI)4	Rs.5351

Q.5) Write short notes on (any 3)

(15)

- a) Hire purchase finance
- b) Corporate Governance
- c) Marginal Costing
- d) Hypothecation, Pledge & Mortgage
- e) Areas of project appraisal.