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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Summer Term End Term Examinations, August 2024**

**Winter Semester**: 2023-24

**Course Code**: MGT2021

**Course Name**: Finance for engineers

**Program & Sem**:

**Date**: 12-08-2024

**Time**: 9:30 AM-12:30PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questionscarefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**PART-A**

1. What is Financial Management?
2. State the Role of Finance
3. Income statement
4. Explain the Balance sheet
5. What is a Cash flow statement

**PART-B**

1. Explain Finance and its classification.
2. Discuss the Scope of Financial Management
3. Write the Objectives of Financial Management
4. If you deposit Rs.56000 in the Bank, which pays a 20 % rate of interest on 10 years-time deposits. How much would the deposit grow at the end of 10 years?
5. Suppose an investor wants to find out the present value of Rs.100000 to be received after 15 years. The interest rate is 8 %. Calculate the present value.

**PART-C**

1. Calculate the Pay Back Period of Project-M and Project-N from the following cash inflows and outflows. Advise to choose which project should be chosen for investment.

|  |  |  |
| --- | --- | --- |
| Year | Cashflow of M  Rs. | Cashflow of N  Rs. |
| 0 | (2,00,000) | (2,00,000) |
| 1 | 1,00,000 | 40,000 |
| 2 | 60,000 | 40,000 |
| 3 | 40,000 | 40,000 |
| 4 | 20,000 | 80,000 |
| 5 | 20,000 | 1,00,000 |
| 6 |  | 1,20,000 |

1. Calculate the Accounting Rate of Return (ARR) of Project-a and Project-B from the following cash inflows and outflows. Advise to choose which project should be chosen for investment based on ARR.

|  |  |  |
| --- | --- | --- |
| Year | Cashflow of M  Rs. | Cashflow of N  Rs. |
| 0 | (1,00,000) | (1,00,000) |
| 1 | 50,000 | 20,000 |
| 2 | 30.000 | 20,000 |
| 3 | 20,000 | 20,000 |
| 4 | 10,000 | 40,000 |
| 5 | 10,000 | 50,000 |
| 6 |  | 60,000 |