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# PRESIDENCY UNIVERSITY

BENGALURU

## Mid - Term Examinations – October 2025

Date: 08-10-2025

Time: 02.00pm to 03.30pm

School: SOC/SOM-UG	Program: BBA/B.COM	
Course Code: BBA2030	Course Name: Financial Management	
Semester: III	Max Marks:50	Weightage:25%

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	26	24	-	-	-

### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

### Part A

Answer ALL the Questions. Each question carries 2 marks.

5Q x 2M=10M

1	Define wealth maximization.	2 Marks	L2	CO1
2	State the reasons for using time value of money.	2 Marks	L3	CO2
3	What is the role of a controller in the organizational structure of finance.	2 Marks	L2	CO1
4	List down four factors affecting financial planning.	2 Marks	L2	CO1
5	Describe the importance of financial decisions.	2 Marks	L3	CO2

### Part B

Answer ALL the Questions. Each question carries 10 marks.

4Q x 10M=40M

6.	StellarTech Industries is an established technology company specializing in software solutions for small to medium-sized businesses. After experiencing a significant increase in revenue over the past year, the management team is considering how to allocate the company's profits. They need to make key decisions regarding financing options for new product development, dividend distribution to shareholders, and potential investment in expanding their product line. You, as their finance manager, explain the types of financial	10 Marks	L2	CO1
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	decisions for the better functioning.			
<b>Or</b>				
<b>7.</b>	Harmony Home Furnishings is a growing retail company specializing in eco-friendly and sustainable home decor. As the company prepares for the upcoming fiscal year, the management team recognizes the need for a sound financial plan to navigate potential market fluctuations, manage cash flow effectively, and support strategic growth initiatives. You, as their CFO, explain the characteristics of sound financial planning.	<b>10 Marks</b>	<b>L2</b>	<b>CO 1</b>
<b>8.</b>	Marvin Organics pvt ltd. is a small, sustainable farming business that specializes in organic produce. After two successful years in operation, the owner is looking to expand the business by investing in new equipment and increasing marketing efforts to attract more customers. However, the owner needs to create a comprehensive financial plan to ensure that these investments do not jeopardize the company's current cash flow or operational stability. You, as their manager, explain financial planning & its importance.	<b>10 Marks</b>	<b>L2</b>	<b>CO 1</b>
<b>Or</b>				
<b>9.</b>	Futureways Education is a medium-sized educational consulting firm that specializes in providing career counseling and training programs. The company has been experiencing growth but is facing challenges in managing its finances effectively due to increased operational costs and fluctuating revenues. The owner has decided to hire a finance manager to oversee financial operations and develop strategies for sustainable growth. Explain the role of a finance manager to an organization.	<b>10 Marks</b>	<b>L2</b>	<b>CO 1</b>
<b>10.</b>	Calculate the Future value of Rs.4000 for Mr. A, Rs. 6000 for Mr. B & Rs.8000 for Mr.C, which is invested for 4 years and the interest in it is compounded at 12% p.a. Find out the compounded value for half yearly and quarterly.	<b>10 Marks</b>	<b>L3</b>	<b>CO 2</b>
<b>Or</b>				
<b>11.</b>	Find out the present value of Rs.20,000 receivable after 8 years if the rate of discount is i) 10% ii)12% iii)15% iv) 8% v) 13%	<b>10 Marks</b>	<b>L3</b>	<b>CO 2</b>
<b>12.</b>	<p>a) Calculate the present value of the following series of payments made at the end of each year for a period of 5 years at 8% discount rate.</p> <p>Cash flow at the end of 1st year – Rs.2,000  Cash flow at the end of 2nd year – Rs.4,000  Cash flow at the end of 3rd year – Rs.6,000  Cash flow at the end of 4th year – Rs.8,000  Cash flow at the end of 5th year – Rs.10,000 (5 Marks)</p> <p>b) Calculate the future value of Rs.10,000 invested for 5 years at a rate of interest of 15% compounded quarterly. (5 marks)</p>	<b>10 Marks</b>	<b>L3</b>	<b>CO 2</b>
<b>Or</b>				
<b>13.</b>	Mr. Gopalan deposits Rs.80,000 at the end of each year for 9 years at the rate 16% p.a. interest compounded annually, half yearly & quarterly. Find out the present value of annuity.	<b>10 Marks</b>	<b>L3</b>	<b>CO 2</b>