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PRESIDENCY UNIVERSITY

BENGALURU

Mid - Term Examinations – October 2025

Date: 13-10-2025

Time: 09.30am to 11.00am

School: SOCSE	Program: CSE/CST/CST/CBD	
Course Code: FIN1002	Course Name: Essentials of Finance	
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 2marks.

5Q x 2M=10M

1	Define finance.	2 Marks	L1	CO1
2	Differentiate between money market and capital market.	2 Marks	L2	CO1
3	XYZ Ltd furnish following information Assets :12000 Capital: 4000 Find out the Liabilities of XYZ firm.	2 Marks	L3	CO1
4	Define Payback Period.	2 Marks	L1	CO2
5	Expand the term NPV and IRR.	2 Marks	L1	CO2

Part B

Answer the Questions.

Total Marks 40M

6.	UVW firm reports: Sales Revenue: ₹1,200,000 COGS: ₹700,000 Administrative Expenses: ₹180,000 Interest Paid: ₹20,000 Other Income: ₹50,000 Tax Provision: ₹150,000 Prepare an Income Statement.	10 Marks	L3	CO1
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Or

7.	Distinguish between Profit Maximization and Wealth Maximization.	10 Marks	L2	CO1
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8.	XYZ firm has the following details: Equity Share Capital: ₹20,00,000 Reserves & Surplus: ₹6,00,000 Plant and machinery : ₹25,00,000 Investments: ₹4,00,000 Long-Term Loans: ₹10,00,000 Current Assets: ₹11,00,000 Current Liabilities: ₹4,00,000 Prepare a Balance Sheet.	10 Marks	L3	CO1
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Or

9.	Explain the different types of financial statements with their structure.	10 Marks	L1	CO1
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10.	Compare between Pay back Period and Profitability Index.	10 Marks	L2	CO2
Or				
11.	a) A project requires an investment of ₹2,00,000. It generates cash	10 Marks	L3	CO2

	<p>inflows of ₹50,000, ₹60,000, ₹70,000, ₹60,000, ₹40,000 over 5 years.</p> <p>b) A project costs ₹30,000 and generates cash inflows of ₹10,000, ₹12,000, ₹8,000, and ₹6,000 over 4 years.</p> <p>Find out the Payback Period.</p>		
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12.	Explain different capital budgeting techniques with merits and limitations.	10 Marks	L2	CO2
Or				
13.	<p>A company is considering two projects with the following cash flows.</p> <p>Determine the NPV at 10% discount rate.</p> <ul style="list-style-type: none"> Project X: Initial outlay ₹1,00,000; inflows: ₹30,000, ₹40,000, ₹50,000, ₹30,000. Project Y: Initial outlay ₹1,00,000; inflows: ₹20,000, ₹30,000, ₹40,000, ₹60,000. 	10 Marks	L5	CO2