



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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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	C01	C02	C03	C04	C05
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	C01
2	Differentiate between money market and capital market.	2 Marks	L2	C01
3	XYZ Ltd furnish following information Assets :12000 Capital: 4000 Find out the Liabilities of XYZ firm.	2 Marks	L3	C01
4	Define Payback Period.	2 Marks	L1	C02
5	Expand the term NPV and IRR.	2 Marks	L1	C02

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
Or				
7.	Distinguish between Profit Maximization and Wealth Maximization.	10 Marks	L2	CO1

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
Or				
9.	Explain the different types of financial statements with their structure.	10 Marks	L1	CO1

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. 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