



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.																			
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## Make Up Examinations – December 2025

Date: 26 – 12- 2025

Time: 9:30am – 12:30pm

School: SOC	Program:		
Course Code: MGT2021	Course Name: Finance for Engineers		
Semester: MK	Max Marks: 100	Weightage:50%	

CO - Levels	CO1	CO2	CO3	CO4	CO5
Marks	13	33	28	26	

### 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.

10Q x 2M=20M

1.	Define Financial Management	2 Marks	L1	CO1
2.	From the following information calculate the amount of liabilities of XYZ Ltd. Total assets 1200000 Total Capital 400000	2 Marks	L3	CO1
3.	Mention two methods that consider the time value of money.	2 Marks	L1	CO2
4.	Define capital budgeting.	2 Marks	L1	CO2
5.	Name two long-term sources of project funding.	2 Marks	L1	CO3
6.	A company issues bonds worth ₹5,00,000 at a 7% interest rate. The corporate tax rate is 25%. Calculate the after-tax cost of debt.	2 Marks	L3	CO3
7.	Calculate the working capital from the following information of ABC Ltd. Current assets 20000 Current liability 30000	2 Marks	L3	CO4

8.	State the concept of working capital	2 Marks	L1	CO4
9.	A company has a 10 percent preference shares of Rs 5,00,000. Determine the cost of preference shares.	2 Marks	L3	CO3
10.	Calculate Cost of Goods Sold from the following information Purchases 500000 Wages 15000 Opening stocks 20000 Closing stocks 10000	2 Marks	L3	CO1

### Part B

Answer ALL the Questions. Each question carries 7 Marks.

Total Marks 35M

11.	a.	Explain Income statement, balance sheet and Cash flow statement with the formats.	07 Marks	L2	CO1
<b>Or</b>					
12.	a.	A company reports the following data: Equity Capital: 4,00,000, Reserve and Surplus: 1,00,000, Liabilities: 7,00,000, Current Assets: 2,00,000, Non-current Assets: 6,00,000.	07 Marks	L3	CO1

13.	a.	Summarize the concept of capital budgeting techniques.	07 Marks	L2	CO2																											
<b>Or</b>																																
14.	a.	<p>PQR Ltd. is evaluating two investment projects, Project A and Project B. Expected annual profit of the project and initial investment details as follows.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Project A</th> <th>Project B</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>5,00,000.</td> <td>8,00,000.</td> </tr> <tr> <td>1</td> <td>10,000</td> <td>5000</td> </tr> <tr> <td>2</td> <td>20,000</td> <td>15,000</td> </tr> <tr> <td>3</td> <td>30,000</td> <td>25,000</td> </tr> <tr> <td>4</td> <td>40,000</td> <td>35,000</td> </tr> <tr> <td>5</td> <td>50,000</td> <td>20,000</td> </tr> <tr> <td>Salvage value</td> <td>50000</td> <td>30000</td> </tr> <tr> <td>Working Capital</td> <td>10000</td> <td>15000</td> </tr> </tbody> </table> <p>Calculate ARR and suggest the company to choose a project.</p>	Year	Project A	Project B	0	5,00,000.	8,00,000.	1	10,000	5000	2	20,000	15,000	3	30,000	25,000	4	40,000	35,000	5	50,000	20,000	Salvage value	50000	30000	Working Capital	10000	15000	07 Marks	L3	CO2
Year	Project A	Project B																														
0	5,00,000.	8,00,000.																														
1	10,000	5000																														
2	20,000	15,000																														
3	30,000	25,000																														
4	40,000	35,000																														
5	50,000	20,000																														
Salvage value	50000	30000																														
Working Capital	10000	15000																														

15.	a.	Distinguish between equity shares and preference shares.	07 Marks	L2	CO3
<b>Or</b>					
16.	a.	<p>A company has the following capital structure:</p> <p>Equity: ₹12,00,000 with a cost of equity at 12%</p> <p>Debt: ₹8,00,000 with a cost of debt at 8%</p> <p>Preference shares 6,00,000 with a cost of 9%</p>	07 Marks	L3	CO3

		Retained earnings of 4,00,000 with a cost of 12%.			
		Calculate the Weighted Average Cost of Capital (WACC).			

17.	a.	Calculate Net working capital and Gross working capital from the following information.	07 Marks	L3	CO4	
		Particulars				Amount (₹)
		Stocks				3,00,000
		Cash in hand				10,000
		Creditors				6,000
		Trade Debtors				15,000
		Pre-paid Expenses				20,000
		Cash at bank				1,00,000
		Bills Payables	8,000			

**Or**

18.	a.	Discuss different approaches of working capital investment	07 Marks	L2	CO4
-----	----	--	----------	----	-----

19.	a.	Differentiate between ARR and IRR in detail	07 Marks	L2	CO2
-----	----	---	----------	----	-----

**Or**

20.	a.	A project requires an initial investment of ₹4,00,000. The expected cash inflows for the next four years are as follows:	07 Marks	L3	CO2
		Year 1: ₹1,00,000			
		Year 2: ₹1,20,000			
		Year 3: ₹1,40,000			
		Year 4: ₹1,60,000			
Calculate Net Present Value (NPV) using a discount rate of 10%.					

### Part C

**Answer any Three Questions. Each question carries 15 marks**

**3Q x 15M=45M**

21.	a.	A company provides the following details:	15 Marks	L3	CO1
		Net Income: ₹40,000			
		Depreciation: ₹12,000			
		Increase in Inventory: ₹6,000			
		Decrease in Accounts Payable: ₹4,000			
		Purchase of Equipment: ₹25,000			
		Sale of Land: ₹15,000			
		Loan Taken: ₹50,000			
		Loan Repaid: ₹20,000			
		Prepare the Cash Flow Statement.			

22.	a.	A firm whose cost of capital is 10% considering two projects X and Y, the details of which are as follows:			15 Marks	L3	CO2
		<b>Particulars</b>	<b>Project X</b>	<b>Project Y</b>			
		1	40,000	90,000			
		2	60,000	80,000			
		3	80,000	60,000			
		4	1,00,000	20,000			
		5	1,20,000	16,000			
The original investment is Rs.2,00,000 for both projects. Compute the IRR for the two projects. Project X by 20% and 29% and Project Y by 9% and 15% trail rates.							

23.	a.	Discuss different long-term source of finance and its types	15 Marks	L2	CO3
-----	----	---	----------	----	-----

24.	a.	Estimate the Working Capital of ABC Ltd by using the following details.			15 Marks	L3	CO4
		<b>Particulars</b>	<b>Amount (₹)</b>				
		Raw Materials	1,00,000				
		Bills Receivable	10,000				
		Work-in-Progress	25,000				
		Trade Payables	6,000				
		Finished Goods	75,000				
		Trade Debtors	15,000				
		Pre-paid Expenses	20,000				
		Minimum Cash Balance	1,00,000				
		Bills Payables	8,000				
		Wages Payable	10,000				
		Payables for Overheads	15,000				
Safety Margin	20%						

25.	a.	Explain the determinants of working capital in detail.	15 Marks	L2	CO4
-----	----	--	----------	----	-----