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Bengaluru

Mid Term Examinations - October 2026

Date: 07/10/2026 **Time:** 02:00 PM - 03:30 PM

Course Code: FIN1002 **Course Name:** Essentials of Finance

Semester: Fifth Semester **Max. Marks:** 50 **Weightage:** 50%

CO - Levels	CO1	CO2
Marks	158	112

PART A: Answer Following Questions. 10 M

Q.N.	Questions	M	CO	BT
1	Define Capital Market	2	CO1	BT1
2	Define Capital Budgeting.	2	CO2	BT2
3	State any two differences between profit maximization and wealth maximization.	2	CO1	BT2
4	List any two functions of Personal finance	2	CO1	BT1
5	Explain any two Importance of Capital Budgeting decisions.	2	CO2	BT2

PART B : Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT
6	Prepare the Balance Sheet of AeroVista Ltd. as on 31st March 2026. The following is the financial information for AeroVista Ltd. Particulars Amount (₹) Equity Share Capital 600000 Non-Current Assets 800000 Reserves & Surplus 150000 Long-term loans 350000 Current Assets 550000 Current Liabilities 250000 Prepare the Balance Sheet of AeroVista Ltd. as on 31st March 2026.	10	CO1	BT3
7	Explain the different scopes of finance	10	CO1	BT2

PART C: Answer Any 1 Following Questions. 10 M

Q.N.	Questions	M	CO	BT

PTO (Please Turn Over)

8	The following financial information is available for Tata Consumer Products Ltd. for the year ended 31 March 2026: Particulars — Amount (₹) Sales — 600000 COGS — 40% of Sales Indirect Expenses — 5% of Sales Provision for Tax — 20% of EBIT Interest — 15000 Other Income — 10000 Using the above information, prepare the Income Statement of Tata Consumer Products Ltd. and calculate the Profit Before Tax and Profit After Tax.	10	CO1	BT3
9	Analyze the differences between Profit Maximization and Shareholder Wealth Maximization. Explain why the two objectives may lead to different financial decisions.	10	CO1	BT4

PART D: Answer Any 1 Following Questions. 10 M				
Q.N.	**Questions**	**M**	**CO**	**BT**
10	Certain projects require an initial cash outflow of Rs. 5,0000. The cash inflows for 6 years are Rs. 10,000, Rs. 16,000, Rs. 20,000, Rs. 24,000, Rs. 14,000 and Rs. 6,000. Calculate the payback period of the project.	10	CO2	BT2
11	Explain the process of capital budgeting and analyze the importance of capital budgeting in making long-term investment decisions.	10	CO2	BT4

PART E: Answer Any 1 Following Questions. 10 M				
Q.N.	**Questions**	**M**	**CO**	**BT**
12	Suppose Infosys Ltd. is analyzing a project requiring an initial cash outlay of ₹1,25,000 and is expected to generate cash inflows as follows: Year — Annual Cash Inflow (₹) 1 — 45000 2 — 35000 3 — 30000 4 — 25000 Calculate the Payback Period of the project.	10	CO2	BT3
13	Analyze the different types of Capital Budgeting Decisions	10	CO2	BT4