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**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF ENGINEERING
MID TERM EXAMINATION - OCT 2023**

Semester : Semester V - 2021

Course Code : MGT2021

Course Name : Sem V - MGT2021 - Finance for Engineers

Program : B.TECH

Date : 30-OCT-2023

Time : 9:30AM - 11:00AM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

(5 X 2 = 10M)

1. What is income statement?
(CO1) [Knowledge]
2. What is the purpose of financial statements in an organization?
(CO1) [Knowledge]
3. Define the term Finance.
(CO1) [Knowledge]
4. Define the payback period.
(CO2) [Knowledge]
5. What is meant by capital budgeting?
(CO2) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(2 X 10 = 20M)

6. Finance plays a pivotal role in every aspect of a business, serving as the lifeblood that fuels growth and sustainability. It is the guiding force behind strategic decision-making, enabling the allocation of resources, management of capital, and assessment of investment opportunities. In essence, finance is the heartbeat of a business, orchestrating the rhythm of its operations and the pursuit of its objectives, making it an integral component for success in the corporate world. Explain the nature and scope of finance for the business.
(CO1) [Comprehension]

7. Capital budgeting techniques help organizations assess the potential returns, risks, and feasibility of long-term projects or acquisitions, ensuring that resources are allocated to initiatives that align with strategic goals and deliver the highest value. These methods aid in selecting investments that maximize returns while minimizing risks, ultimately contributing to better financial performance, growth, and competitiveness in the market. Explain various capital budgeting evaluation techniques applied in the decision-making process for investment projects.

(CO2) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

(1 X 20 = 20M)

8. The cash flow statement serves as a critical financial document for a company in evaluating a company's liquidity and cash management, allowing stakeholders to understand how effectively the company manages its cash resources. By delineating cash inflows and outflows, the statement helps identify potential cash flow issues, offers insights into operational efficiency, and aids in assessing a company's ability to meet short-term obligations and invest in growth opportunities. This document not only assists management in financial decision-making but also provides investors, creditors, and analysts with crucial information for evaluating a company's financial health and its capacity to generate sustainable cash flows, making it an indispensable tool for financial transparency and strategic planning. Describe the three main sections of a cash flow statement with neat sketch.

(CO2) [Application]