

Roll No																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--



**PRESIDENCY UNIVERSITY  
BENGALURU**

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

**Semester :** Semester III - 2022

**Course Code :** BBA2030

**Course Name :** Sem III - BBA2030 - Financial Management

**Program :** BBA

**Date :** 31-OCT-2023

**Time :** 2:00PM - 3:30PM

**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. Outline five points on the need for financial planning. (CO1) [Knowledge]
2. Describe public finance. (CO1) [Knowledge]
3. List down the members in an organizational structure of finance in a business. (CO1) [Knowledge]
4. Mr.X, a Finance Manager in ABC Limited invests surplus funds of Rs.10,000 in a nationalized bank at 10% compound interest per annum. How much Mr.X Will have after 5 years. (CO2) [Knowledge]
5. Calculate the present value of a sum of Rs.50,000 received after two years, if the discount rate is 8% p.a (CO2) [Knowledge]

**PART B**

**ANSWER ALL THE QUESTIONS**

**(2 X 10 = 20M)**

6. Altus Ltd. is a manufacturing company, trying to expand into new markets and invest in production facilities and is unclear about the types of financial decisions to be taken. Elaborate on the three types of critical financial decisions that the organization must make to ensure sustainable growth and profitability. (CO1) [Application]

7. Calculate the Future value of Rs.4000 which is invested for 4 years and the interest on it is compounded at 12% p.a. Find out the compounded value for half yearly and quarterly.  
(CO2) [Application]

**PART C**

**ANSWER THE FOLLOWING QUESTION**

**(1 X 20 = 20M)**

8. a) Calculate the present value of the following series of payments made at the end of each year for a period of 5 years at 8% discount rate.  
Cash flow at the end of 1st year – Rs.4,000  
Cash flow at the end of 2nd year – Rs.5,000  
Cash flow at the end of 3rd year – Rs.6,000  
Cash flow at the end of 4th year – Rs.7,000  
Cash flow at the end of 5th year – Rs.8,000
- b) A startup company is embarking on an exciting new technology venture, outline the two fundamental goals of financial management that the company should prioritize.

(CO2) [Application]