

MITF Sem.-1 Examination

MITF-102T

Introduction to Financial Management

Time : 2-30 Hours]

February-2025

[Max. Marks : 70

Instructions:

- **Figures to the right indicate Full Marks.**
- **Do not write anything on the question paper.**
- **Simple calculator is allowed. Do not use a scientific calculator.**

Q.1	Explain Investment decision, Financing decision and Dividend decision in detail.	10																																								
Q.2	<p>(A) Mr. Vijay invested Rs. 10,000 at 6% rate of interest for 2 years. What will be the future value if interest is calculated (a) half yearly (b) quarterly.</p> <p>(B) Calculate co efficient of variation from the data given below and make a comment.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Return from share P (%)</th> <th>Probability</th> <th>Return from share Q (%)</th> <th>Probability</th> </tr> </thead> <tbody> <tr> <td>20</td> <td>0.35</td> <td>16</td> <td>0.40</td> </tr> <tr> <td>24</td> <td>0.25</td> <td>20</td> <td>0.20</td> </tr> <tr> <td>16</td> <td>0.40</td> <td>10</td> <td>0.40</td> </tr> </tbody> </table> <p style="text-align: center;">OR</p> <p>(A) Mr. Jigar borrowed Rs. 20,000 at 8% rate of interest for 3 years. Prepare loan amortization schedule.</p> <p>(B) Calculate required rate of return under CAPM model.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Type of share</th> <th>Risk free return</th> <th>Market return</th> <th>Beta co efficient</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>6</td> <td>11</td> <td>0.50</td> </tr> <tr> <td>B</td> <td>7</td> <td>12</td> <td>0.40</td> </tr> <tr> <td>C</td> <td>6</td> <td>110</td> <td>0.55</td> </tr> <tr> <td>D</td> <td>8</td> <td>12</td> <td>0.45</td> </tr> <tr> <td>E</td> <td>5</td> <td>8</td> <td>0.80</td> </tr> </tbody> </table>	Return from share P (%)	Probability	Return from share Q (%)	Probability	20	0.35	16	0.40	24	0.25	20	0.20	16	0.40	10	0.40	Type of share	Risk free return	Market return	Beta co efficient	A	6	11	0.50	B	7	12	0.40	C	6	110	0.55	D	8	12	0.45	E	5	8	0.80	10
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Q.3 A	Explain the profit maximisation objective in brief.	5																		
B	Find out Profitability Index from the following data. Investment in the project is Rs. 1,50,000.	5																		
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Q.4	Calculate Payback period and Average rate of return from the following data.	10																		
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