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0605N332

Candidate's Seat No : \_\_\_\_\_

MBA in BI Sem.-2 Examination

BI-203

C. F.

Time : 2-30 Hours]

May-2025

[Max. Marks : 70

- Instructions :** (1) This paper contains **FIVE** questions.  
(2) All questions are compulsory.  
(3) Question No. **2, 3, 4** have internal options.  
(4) Figures in the right side in parenthesis indicate marks.

- Q:1** 'Value of Firm depends on three major finance function'. Elaborate. (14)  
**Q:2** What is Debenture Capital? Differentiate between Debenture and Preference Share Capital. (14)

**OR**

- Q:2** Calculate the Internal Rate of Return of an investment of Rs 9,00,000 which yields the cash flows of Rs 2,50,000 each year for 3 years and Rs 4,00,000 in the end of 3<sup>rd</sup> year. (14)

The Discounting factors for 5 years are

Year	DF @10%	DF@12%
1	0.909	0.893
2	0.826	0.797
3	0.751	0.712
4	0.683	0.636
5	0.621	0.567

- Q:3** Explain (14)  
1. Ke using Earning Price Approach  
2. Capacity in Credit Analysis

**OR**

- Q:3** Calculate the cost of capital in the following cases: (14)  
1) X Ltd issues 12% debenture of face value of Rs 100 each and realize Rs 95 per debenture. The debenture are redeemable after 10 years at a premium of 10%.  
2) Y ltd issues 14% preference shares of face value Rs 100 each at Rs 92 per share. The shares are repayable after 12 years at par.

Both the companies are paying income tax at 50%.

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- Q:4** From the following information of XYZ Ltd you are required to calculate : **(14)**
- 1) Net operating Cycle Period
  - 2) Number of operating cycles in a year

Raw Material inventory consumed during the year	6,00,000
Average stock of raw material	50,000
Cost of production for the year	5,00,000
Average WIP inventory	30,000
Cost of goods sold during the year	8,00,000
Average finished goods stock held	40,000
Average collection period from debtors	45 days
Average credit period availed	30 days
No of days in a year	360 days

**OR**

- Q:4** What are the different types of Capital Budgeting Decision a firms take? **(14)**
- Q:5** What is Working Capital Management and explain the importance of adequate Working Capital Management? **(14)**