

IMBA in AVI (NEP) Sem.-4 Examination

DSC-C-AVI-243

Techniques of Financial Mgmt. in Service Industries

Time : 2-00 Hours]

May-2025

[Max. Marks : 50

Instructions:		
<ul style="list-style-type: none"> 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. 		
1	<p>Mr. John is considering an investment project that requires an initial investment of ₹6,00,000. The expected annual cash inflows from the project for the next 4 years are as follows:</p> <ul style="list-style-type: none"> Year 1: ₹2,50,000 Year 2: ₹2,80,000 Year 3: ₹3,30,000 Year 4: ₹3,60,000 <p>The company's required rate of return (discount rate) is 13%. Calculate the Net Present Value (NPV) and Payback Period for this project.</p>	10
2	<p>Explain wealth maximization and profit maximization and compare both. OR Describe DCF, ARR and Profitability Index in terms of investment decisions.</p>	10 10
3(I)	An investor deposited \$15,000 in a savings account paying 6% converted quarterly. At the end of 5 years what is the value of the account?	5
3(II)	Write down the characteristics of Working Capital.	5
4	<p>Find the amount of \$5,000 invested at 11% for 3 years, compounded -- Annually, Semi-Annually, quarterly. OR What are the determinants of capital structure? Give detailed explanation.</p>	10 10
5	Discuss how financial management is linked with human resource management and operational management and other area of management.	10