

Q.2) From the following capital structure of Kimaya Ltd. calculate the weighted average cost of capital. (15)

Source	Amount
Equity shares of Rs.10/- each	450000
Retained Earnings	150000
Preference shares capital	100000
Debentures	300000

The after tax cost of different sources of finance are equity share capital 14% retained earnings 13% preference share capital 10% and debentures 5%.

OR

Q.2) What is corporate finance? State its features and also explain the role of treasurer and controller in organisation. (15)

Q.3) You are given the following information of Neha Ltd. for the year. (15)

Particulars	Rs.
Sales (10,000 units)	1,20,000
Variable cost	48,000
Fixed cost	60,000

- 1) Calculate P/v ratio, Break Even point (in units and in rupees) and MOS (in units and in rupees)
- 2) Evaluate the effect of the following on p/v ration, BEP & MOS when :-
 - a) 10% decrease in fixed cost.
 - b) 5% increase in selling price.

OR

Q.3) Noopur Ltd. is considering two mutually exclusive machines. Both require an initial Outlay of Rs.1,00,000 each and have a life of 5 years. The company's required rate of return is 10% and tax rate is 50%. The projects will be depreciated on a straight line basis. The net cash flows (PBT) are expected to be generated by the projects as follows:- (15)

Year	Machine A	Machine B
1	40,000	60,000
2	40,000	30,000
3	40,000	20,000
4	40,000	50,000
5	40,000	50,000

Calculate : Payback period and state which machine should be purchased and why?

Year	1	2	3	4	5
pv@10%	0.909	0.826	0.751	0.683	0.621

Q.4) Navnirmitti Ltd. is considering three financial plans. The key information is as follows: (15)

- a) Total investment is to be raised Rs.4,00,000
- b) Plan of financing proportion.

Plan	Equity	Debt	Preference shares
A	100%	-	-
B	50%	50%	-
C	50%	-	50%

- d) Tax rate 50%.
e) Equity shares of the face value of Rs.10/- each will be issued at a premium of Rs.10/- per share.
f) Expected EBIT is Rs.1,60,000/-

Determine for Each plan :-
Earnings per share (EPS).

OR

- Q.4) Prepare an amortization schedule from the following information, assuming that the amount payable is an equated annual installment. (15)

Amount Borrowed	Rs. 22,000
Compound annual interest	@12%
Repayment period	6 years
Annual equal Installment (EAI) ⁴	Rs.5351

- Q.5) Write short notes on (any 3) (15)
- Hire purchase finance
 - Corporate Governance
 - Marginal Costing
 - Hypothecation, Pledge & Mortgage
 - Areas of project appraisal.