Daffodil International University
Faculty of Science and Information Technology
Department of Computing and Information System
Program: B.Sc. in Computing & Information System
Midterm Examination, Fall 2025
Course Code: FIN-232; Course Title: Financial Management System
Section: 20_A / 20_B, Teacher's Initial: JM

Time: 1:30 Hours **Marks: 25**

Answer ALL Questions

[The figures in the right margin indicate the full marks and corresponding course outcomes. All portions of each question must be answered sequentially.]

S.N.	Questions	Marks	COs
1.	BrightStar Ltd. requires Tk 12 lakhs to meet its short-term working capital needs. It is considering the following financing options: A. The company can purchase raw materials costing Tk 12 lakhs on trade credit terms 3/10, Net 40. B. The company can issue commercial paper with a face value of Tk 1,000, selling it at Tk 950 for 120 days. C. The company can borrow Tk 12 lakhs from Sunrise Bank for 120 days at an annual interest rate of 11%, on a collected basis. The bank requires a 5% compensating balance. Calculate the effective cost of each alternative. Also, find the financing option should BrightStar Ltd. choose? Explain why.	[1+1+2 +1=5]	CO3
2.	Rumana wants to save for her daughter's college tuition in 15 years, which will cost $50,000. She plans to deposit $2,500 at the beginning of each year into a savings account earning 7% p.a. compounded annually. Will she reach her goal? 67200	[5]	CO2
3.	The Sunshine Company wants to purchase new equipment worth $75,000 in 6 years. They decide to make equal annual payments into a fund earning 10% p.a. compounded annually. Find the annual payment.	[5]	CO2

4.	Taslima wants to save TK 1,000,000 over 20 years for retirement. She deposits equal amounts at the end of each year into a fund earning 5% p.a. compounded annually. How much must she deposit annually?	[5]	CO2
5.	**<u>Case: The Goal Dilemma</u>** Rahim Ltd. is a growing manufacturing company. The management is debating whether the company should focus on increasing short-term profits or maximizing the long-term value of shareholders. **Questions:** a) Explain the difference between profit maximization and wealth maximization. b) Which goal should Rahim Ltd. pursue and why? c) How could the financial manager align the company's operations with this goal?	[2.5+2.5 =5]	CO1