



Daffodil International University
Faculty of Science & Information Technology
Department of Computing and Information System
Final Examination, Summer 2025
Course Code: FIN-232; Course Title: Financial Management System
Sections: 19_A Teacher's Initial: JM

Time: 2:00 Hrs

Marks: 40

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.]

1.	"A business may have two major sources of funds which are needed for its business operations. They are internal sources of funds and external sources of funds." Articulate in detail with relevant examples.	[8]																																		
2.	Following information are for the year of 2024 of ABC Company- <table border="1"><tr><td>Current assets</td><td>1200</td></tr><tr><td>Current liabilities</td><td>800</td></tr><tr><td>Cash</td><td>200</td></tr><tr><td>Marketable securities</td><td>100</td></tr><tr><td>Net receivables</td><td>300</td></tr><tr><td>Net sales</td><td>4000</td></tr><tr><td>Average net trade receivables</td><td>250</td></tr><tr><td>Cost of goods sold (COGS)</td><td>2400</td></tr><tr><td>Average total inventory</td><td>600</td></tr><tr><td>Average working capital</td><td>400</td></tr><tr><td>Average net fixed assets</td><td>1500</td></tr><tr><td>Average total assets</td><td>3000</td></tr><tr><td>Net income</td><td>600</td></tr><tr><td>Average total shareholders' equity</td><td>1800</td></tr><tr><td>Gross profit</td><td>1600</td></tr><tr><td>Dividends Paid</td><td>180</td></tr><tr><td>Interest Expense</td><td>100</td></tr></table> <u>Calculate the following ratios:</u> a) Current Ratio b) Quick (acid-test) Ratio c) Working Capital d) Receivable Turnover e) Inventory Turnover f) Fixed Asset Turnover g) Asset Turnover h) Return on Equity (ROE)	Current assets	1200	Current liabilities	800	Cash	200	Marketable securities	100	Net receivables	300	Net sales	4000	Average net trade receivables	250	Cost of goods sold (COGS)	2400	Average total inventory	600	Average working capital	400	Average net fixed assets	1500	Average total assets	3000	Net income	600	Average total shareholders' equity	1800	Gross profit	1600	Dividends Paid	180	Interest Expense	100	[4]
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3.	Find the cost of preferred stock, debenture, and common stock from the following information: a) 10% Preferred stock of Tk. 100 par value is to be redeemed after 6 years sold for Tk. 95 and floatation cost Tk. 5 per share. <i>12.5</i> b) 12% Debenture of Tk. 4200 par value for 7 years sold for 3700. The corporate tax rate is 40%. c) 14% Preferred Stock of Tk. 100 par value sold for Tk. 110 with a floatation cost of Tk. 7 per share. <i>13.57</i> d) 13% Bond of Tk. 100 par value sold for 10% discount with 5% floatation cost of the market price. Corporate tax rate 35%. <i>9.8</i>	[8]																								
4.	ABL granted a term loan of Tk. 50 lakh to be repaid annually in equal installment basis over 5 years. The interest rate is 13%. Prepare the loan repayment schedule under both 'Balloon Method' and 'Capital Recovery Method'.	[4+6=10]																								
5.	$\sigma = \sqrt{E(R)^2 \times P}$ $SD / E(R)$ <table border="1"> <thead> <tr> <th>Situation</th><th>Probability</th><th>Return</th></tr> </thead> <tbody> <tr> <td>A</td><td>40%</td><td>13%</td></tr> <tr> <td>B</td><td>53%</td><td>11%</td></tr> <tr> <td>C</td><td>48%</td><td>12%</td></tr> </tbody> </table> (b) Calculate required rate of return from the following information and find out which situation is preferable? <table border="1"> <thead> <tr> <th>Situation</th><th>Risk-free return</th><th>Market return</th><th>Beta</th></tr> </thead> <tbody> <tr> <td>X</td><td>5%</td><td>8%</td><td>1.2</td></tr> <tr> <td>Y</td><td>4%</td><td>9%</td><td>1.4</td></tr> </tbody> </table> $R_f + (R_m - R_f) \beta$	Situation	Probability	Return	A	40%	13%	B	53%	11%	C	48%	12%	Situation	Risk-free return	Market return	Beta	X	5%	8%	1.2	Y	4%	9%	1.4	[6+4=10]
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