



Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20)
MID TERM EXAMINATIONS (TERM -II)

Subject Name: **Corporate Finance**

Time: **01.30 hrs**

Sub. Code : **PG20**

Max Marks: **20**

Note:

- 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.**
- 2. All questions are compulsory in Section A, B & C. Section A carries 01 Case Study with 2 questions of 4 marks each. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.**

SECTION – A

4+04 = 08 Marks

Q. 1: Read the Case Study and answer the question given below:

Mr. Alok is interested in fixed annual income in future. As a financial Advisor, you have three possible financial plans to offer. Mr. Alok could earn 8 per cent on his money elsewhere in market.

Year	Plan A	Plan B	Plan C
0		1800	
1	2000	1800	3000
2	2000	1800	2500
3	2000	1800	2000
4	2000	1800	1500
5	2000		1000

- Find the Present Value of the each financial plan.
- Compare and suggest, if any, which would he choose? Why?

SECTION - B

2×03 = 06 Marks

Q. 2: What are the basic finance decisions? What are the roles of finance manager in strategic decision making?

Q. 3: What is the amount to be invested today to get 10,000 after 5 years, if the bank is offering 10 percent interest?

Q. 4: When can there arise a conflict between shareholder's and manager's goal? How does wealth maximization goal take care of this conflict?

SECTION - C

3×02 = 06 Marks

Q.5. You plan to buy a flat of 2 BHK for Rs.20,00,000 in Ace group, Greater Noida. You have Rs.400,000 amount for down payment. HDFC finance offers you a 15- year mortgage requiring end-of-year equal yearly payments. How much will be the Annual Installment that you have to amortize the loan by the end of 15 years. Also calculate the total interest that you will pay to finance company.

Q. 6. if the market rate of return is 10 percent. You have to pay Rs.10,000 debt. Given a choice to pay the debt after 9 months, what is the maximum amount you have to pay to write-off the debt?