**ASSIGNMENT**

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| **SESSION** | **Feb/March 2022** |
| **PROGRAM** | **MASTER OF BUSINESS ADMINISTRATION (MBA)** |
| **SEMESTER** | **II** |
| **course CODE & NAME** | **DMBA202 & FINANCIAL MANAGEMENT** |
| **CREDITS** | **4** |
| **Number OF ASSIGNMENTS & Marks** | **02**  **30 Marks each** |

**Note:** Answer all questions. Kindly note that answers for 10 marks questions should be approximately of 400 - 450 words.

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| **Q. No.** | **Assignment Set – 1**  **Questions** | **Marks** | **Total Marks** |
|  | 1. “A rational human being has time preference for money” Give reasons. 2. Differentiate between compounding and discounting technique of time value of money. | **5+5** | **10** |
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|  | Write short notes on (any two)   1. NI approach of Capital structure 2. NOI approach of Capital structure 3. Modigliani and Miller approach of Capital structure | **5+5** | **10** |

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| **Q. No** | **Assignment Set – 2**  **Questions** | **Marks** | **Total Marks** |
|  | 1. Elucidate the factors leading to Capital rationing. 2. Explain in brief the phases of operating cycle. | **5+5** | **10** |
|  | “Efficient cash Management will aim at maximising the cash inflows and slowing cash outflows.” Discuss Identify the motives for holding cash by an organization. | **6+4** | **10** |
|  | Solve and suggest which of the two projects should be accepted assuming a discount rate of 10% based on net present value of the two projects.   |  |  |  | | --- | --- | --- | | Detail | Project X | Project Y | | Initial Investment | Rs.20000 | Rs.30000 | | Estimated Life | 5 Years | 5 Years | | Scrap Value | Rs.1000 | Rs.2000 | |  |  |  |   The net cash flows are as follows:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | | Project X | 5000 | 10000 | 10000 | 3000 | 2000 | | Project Y | 20000 | 10000 | 5000 | 3000 | 2000 |   The Discounted rate of return@10% is as follows:   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | | PV@10% Discount factor | 0.909 | 0.826 | 0.751 | 0.683 | 0.621 | | **5+5** | **10** |