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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- **[4]**

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

Calculate the following ratios:

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)

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3. Find the cost of preferred stock, debenture, and common stock from the following information: **[8]**

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.

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.

d) 13% Bond of Tk. 100 par value sold for 10% discount with 5% floatation cost of the market price. Corporate tax rate 35%.

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. (a) Calculate expected return, standard deviation, and CV from the following information- **[6+4= 10]**

Situation	Probability	Return
A	40%	13%
B	53%	11%
C	48%	12%

(b) Calculate required rate of return from the following information and find out which situation is preferable?

Situation	Risk-free return	Market return	Beta
X	5%	8%	1.2
Y	4%	9%	1.4