FIN722 Final Term 22.08.2015

Q1.sales 1100000
NE 355000. 360000
FA 475000. 450000
CA 35% and 70% of sale
Calculate ROI and tell which net working policy is adopted by company in both cases.
Q2 . Min cash balance 125000
Spread 40150
Interest rate 15%
a) calculate upper limit nd return point
b) what should company do in case of cash bal reaches to upper limit

Q3 . 2/15 net 45 and 45 % customers avail this
3/10 net 45 and 65% customers will avail this
a) calculate ACP
b) which option is better

Q4 . Company has to purchased goods 125000 on credit. Vendor offer 3/15 net 60. There is an option to invest in short term securities rate 25% evaluate which is better accept the discount or reject the discount.

Q5 . Calculate ROCE
Sales A 465000
Sales B 625000
Group hurdle rate 20%
Earning rate 12%
Cost 950000

Q6 . Dividend residual policy (forgot values)
Q7 . Currency future (forgot values)
Q8 . Hedging against FRA (forgot values)
Q9 . Hedging against interest rate risk (forgot values)
All questions were numerical no any theoretical question.