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**NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA****(An Autonomous Institute Affiliated to AKTU, Lucknow)****MBA****SEM: IV - THEORY EXAMINATION ( 2022-2023 )****Subject: Financial Modeling****Time: 3 Hours****Max. Marks: 100****General Instructions:****IMP:** Verify that you have received the question paper with the correct course, code, branch etc.**1.** This Question paper comprises of **three Sections -A, B, & C.** It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.**2.** Maximum marks for each question are indicated on right -hand side of each question.**3.** Illustrate your answers with neat sketches wherever necessary.**4.** Assume suitable data if necessary.**5.** Preferably, write the answers in sequential order.**6.** No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.**SECTION A****20****1. Attempt all parts:-**

- 1-a. Given an investment of rupees 10,000 for a period of one year it is better to invest in a scheme that pays. (CO1) 1
- (a) 12% interest compounded annually
  - (b) 12% interest compounded quarterly
  - (c) 12% interest compounded monthly
  - (d) 12% interest compounded daily
- 1-b. The method that converts the amount of present cash into an amount of cash of equivalent value in future is: (CO1) 1
- (a) Budgeting
  - (b) Discounting method
  - (c) Both
  - (d) Compounding method
- 1-c. IF(F2<30,100-F2,0) What would show in the cell after you hit enter if the value in F2 is 29? (CO2) 1
- (a) 100

- (b) 52
- (c) 30
- (d) 71
- 1-d. The result is a \_\_\_ value either TRUE or FALSE. (CO2) 1
- (a) Logical
- (b) Arithmetic
- (c) Algorithm
- (d) Logarithm
- 1-e. Payment of Income Tax is considered as : (CO3) 1
- (a) Direct Expenses
- (b) Indirect Expenses
- (c) Operating Expenses
- (d) None of these
- 1-f. In which meeting of company directors report is presented? (CO3) 1
- (a) Directors Meeting
- (b) Annual General Meeting
- (c) Manager's Meeting
- (d) All of the above
- 1-g. Individuals prefer future consumption to present consumption. (CO4) 1
- (a) money today is more certain than money tomorrow
- (b) money today is worth more than money tomorrow in terms of purchasing power
- (c) there is a possibility of earning risk free return on money invested today
- (d) all of these
- 1-h. Given an investment of rupees 10,000 to be invested for one year. (CO4) 1
- (a) it is better to invest in a scheme that pays 10% simple interest
- (b) it is better to invest in a scheme that pays 10% annual compound interest
- (c) both A and B provide the same return
- (d) None of these
- 1-i. The risk-free security has a beta equal to ---- , while the market portfolio's beta is equal to ----- . (CO5) 1
- (a) one; more than one.
- (b) one; less than one.

- (c) zero; one.
- (d) less than zero; more than zero

- 1-j. In the context of the Capital Asset Pricing Model (CAPM) the relevant measure of risk is (CO5) 1
- (a) unique risk.
  - (b) beta.
  - (c) standard deviation of returns.
  - (d) variance of returns.

**2. Attempt all parts:-**

- 2.a. Explain the concept of compounding. (CO1) 2
- 2.b. Describe how to freeze panes IN EXCEL. (CO2) 2
- 2.c. Describe how current liabilities are calculated (CO3) 2
- 2.d. Explain current ratio. (CO4) 2
- 2.e. Explain how beta is calculated in excel. (CO5) 2

**SECTION B**

**30**

**3. Answer any five of the following:-**

- 3-a. Discuss DCF analysis. (CO1) 6
- 3-b. Explain how to calculate EMI for a loan of Rs 20,00,000 @ 8% for 15 years (CO1) 6
- 3-c. Explain Which function would you use to get the current date and time in Excel. (CO2) 6
- 3-d. Explain ACCRINT financial function in excel. (CO2) 6
- 3.e. Differentiate between capital expenditure and revenue expenditure. (CO3) 6
- 3.f. Explain the measurement and interpretation various profit margin ratios. (CO4) 6
- 3.g. Explain realized yield approach of calculating cost of equity. (CO5) 6

**SECTION C**

**50**

**4. Answer any one of the following:-**

- 4-a. In 10 years, what is the value of Rs 10,000 invested today at an interest rate of 12% per year, compounded monthly. Explain how to calculate using excel. (CO1) 10
- 4-b. Discuss three statements used in 3- statement model. (CO1) 10

**5. Answer any one of the following:-**

- 5-a. Explain how do you generate PIVOT TABLES. (CO2) 10
- 5-b. Differentiate Sorting and filtering and how is it done in Excel. (CO2) 10

**6. Answer any one of the following:-**

- 6-a. Differentiate between Funds Flow and Cash Flow Analysis. (CO3) 10
- 6-b. A company had following balances investment in the beginning = 34000 10  
investment at the end = 28000 during the year, company sold 40% of its  
investments held in the beginning of the period at a profit of 8400. Calculate  
cash flow from investing activity .Discuss various components of cash flow from investing. (CO3)

**7. Answer any one of the following:-**

- 7-a. A project is costing Rs 50,000 with inflows of 10,000,11,000,14,000,15,000 and 10  
25000. Calculate NPV @10%. (CO4)
- 7-b. Calculate IRR OF Machine A costing Rs 1,50,000 and inflows of Rs. 30,000, 10  
50,000, 40,000, 30,000 and 20,000 for next five years. (CO4)

**8. Answer any one of the following:-**

- 8-a. Calculate Treynor's ratio of a portfolio with beta 0.8, Return of 11.25%, risk free 10  
rate of return 6%, standard deviation of 17.5% and market return is 12%. (CO5)
- 8-b. Explain the computation of weighted average cost of capital. (CO5) 10