

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY - 2025
FIRST SEMESTER
Sub: Corporate Finance (MCA-114/MCA24-105)

Date: 15/05/2025

Total Marks: 60

Time: 10.00 am to 12.30 pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. Answer the following questions. (Attempt any two) (32)

1. What are the factors that affect the choice between profit maximization and wealth maximization?
2. Find the Compound Interest when principal = Rs 6000, rate = 10% per annum and time = 2 years .and
Madhav deposited Rs. 4000 with a finance company for 2 years at an interest of 5% per annum.
What is the compound interest that Mohit gets after 2 years?
3. Explain in detail Capital budgeting and its Methods
4. From the given Situation:
 - a) A company raised preference share capital of Rs. 1,00,000 by the issue of 10% preference share of Rs. 10 each. Find out the cost of preference share capital when it is issued at (i) 10% premium, and (ii) 10% discount.
 - b) A company has 10% redeemable preference share which are redeemable at 6th the end of 10th year from the date of issue. The underwriting expenses are expected to 2%. Find out the effective cost of preference share capital.
 - c) The entire share capital of a company consist of 1,00,000 equity share of Rs. 100 each. Its current earnings are Rs. 10,00,000 p.a. The company wants to raise additional funds of Rs. 25,00,000 by issuing new shares. The flotation cost is expected to be 10% of the face value. Find out the cost of equity capital given that the earnings are expected to remain same for coming years.

Q. 2. Answer the following. (Attempt any two) (16)

1. Discuss Return of a portfolio .
2. State the Factors Influencing the Cost.
3. State Determination of Weighted average cost of capital.
4. State Advantages of Internal Financing

Q. 3. Write short notes. (Attempt any three) (12)

1. Growth in annuities
2. Annual percentage rates
3. Marginal cost of capital.
4. Short-term loans
5. Operational Leverage
6. Market Timing Theory