

QP Code: D133926		Total Pages: 2	Name:
			Register No.
<b>THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025</b>			
<b>(CUFYUGP)</b>			
<b>COM3MN201 – Financial Strategy for Start-ups</b>			
<b>2024 Admission onwards</b>			
<b>Maximum Time: 2 Hours</b>		<b>Maximum Marks :70</b>	
<b>Section A</b>			
<b>All Questions can be answered. Each Question carries 3 marks (Ceiling: 24 Marks)</b>			
1	What are the different Motives of holding Cash?		
2	Define Financial Management. What are the two basic objectives of Financial Management?		
3	Rs.1,000 investment is invested for five years in a savings account with compounding interest at 10%. Find the FV of the investment.		
4	What are the methods used to ascertain Cost of Equity Share Capital		
5	Objectives of Inventory Management.		
6	Explain the Capital Budgeting Appraisal Methods.		
7	A project costs Rs 40,000 and is expected to generate the following annual cash inflows: 1 <sup>st</sup> Yr-10,000, 2 <sup>nd</sup> Yr-12,000, 3 <sup>rd</sup> Yr-15,000 and 4 <sup>th</sup> Yr- 8,000. Find the Payback Period.		
8	What is Capital Rationing? Explain its types		
9	What are the different sources of risk?		
10	What are Risk Management Strategies? Explain its different types.		
<b>Section B</b>			
<b>All Questions can be answered. Each Question carries 6 marks (Ceiling: 36 Marks)</b>			
11	Examine the different types of Working Capital.		
12	Varun & Co. Ltd issues 9% debenture of Rs 600,000, face value of the debenture is 100 at par value. They spent Rs 20,000 as floating expense on issue of debenture. Compute cost of debt, if tax rate is 40%.		
13	X & Co. Ltd. has proposal to expand its business operations and needs fresh equity capital of Rs 20,00,000. Determine the cost of equity capital for existing shareholders as well as new equity shareholders. Issue price of new share is Rs 200.                      Number of existing equity shares are 2,00,000 Market value of existing share is Rs 300.              Net Earnings 100,00,000		
14	Distinguish between NPV and IRR.		
15	A company invests ₹50,000 in a project expected to generate the following cash inflows. The cost of capital is 10%. Calculate the Net Present Value (NPV) and decide whether the project should be accepted. PV Factor @10% are: 0.909, 0.8267, 0.751, 0.683,0.621		
	Year	Cash Inflow (₹)	
	1	15,000	
	2	18,000	

	3	20,000
	4	22,000
16	Kumar Enterprises require 2, 70,000 units of a certain item annually. The cost per unit is Rs. 3, the cost per purchase order Rs. 100 and the inventory carrying cost Rs.6 per unit per year. What is the economic order quantity?	
17	Discuss on the different types of Risk faced by Entrepreneurs	
18	What is meant by Exit strategies? Explain the common Exit Strategies for entrepreneurs.	
<b>Section C</b>		
<b>Answer any ONE. Each Question carries 10 marks (1x10=10 Marks)</b>		
19	Calculate the IRR from the following cash flows where the initial investment was Rs 90,000 at 10% cost of capital. Comment whether the project is acceptable. PV Factor @15% are: 0.870, 0.756, 0.658, 0.572,0.497.	
	Year	CFATs (Rs.)
	1	20,000
	2	25,000
	3	27,000
	4	30,000
	5	35,000
20	What is Working Capital? Explain the factors that determine Working Capital.	