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B.Com. (NCF-NEP) (Sem. III) Examination November - 2025

SEC - Corporate Finance

Time: 1 Hour] **[Total Marks: 25**

સૂચના : / Instructions

(1) ઉપરોક્ત દર્શાવેલ વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the above details on your answer book

(2) All Questions are compulsory.

(3) A Figure to the right indicates the marks of the questions.

(4) Necessary calculations will be treated as part of the answer.

Seat No.:

Student's Signature

Q-1. Short Question (write any 5 out of 7) **(10)**

1. What is Annuity?
2. Explain briefly Cost of Debt
3. Calculate Operating Leverage from the following are the details:
   Selling price per unit Rs. 20, Variable cost per unit Rs. 12
   Actual sales 200 units, Fixed Costs Rs. 1000
4. What is present value of Rs. 1 to be received after 2 years compounded annually at 10%
5. State any four advantages of Tally Software.
6. Maruti Ltd. has issued 10,00,000 irredeemable preference shares of Rs. 150 each at a coupon rate of 14% p.a. The issue expenses are Rs. 15 per share. Calculate the cost of preference share capital.
7. In what time Rs. 8000, amount to Rs. 8820 at 10% per annum interest compounded half yearly?

Q-2. The following details are available about Blue Ltd. **(15)**

Source of capital	**Book value**
Equity Share Capital (each of ₹10)	10,00,000
12% Preference Share Capital (each of ₹100)	20,00,000
18% Bank Loan	20,00,000
15% Debentures (each of ₹ 100)	50,00,000

Additional information:

1. On equity shares, the next year's expected rate of dividend is 20%.
2. The current market price of equity share is ₹ 25.
3. The current market price of preference shares and debentures are ₹ 60 and ₹ 120 respectively.

Calculate the average cost of capital on the basis of:

(I) Book Value Method (II) Market Value Method

OR

Q-2. (A) Following details are extracted from Orange Ltd. **(8)**

Sales	40,00,000
Variable cost	20,00,000
Fixed cost	10,00,000
Interest	2,00,000
Tax	50%
Number of equity shares	10,000

Calculate:

(1) Earnings per share

(2) Operating leverage

(3) Financial leverage

(4) Combined leverage

(B) Explain Time Value of Money, also explain its components and application. **(7)**
