R A N - 2 5 0 8 0 0 0 6 0 3 0 5 5 0 0 1

RAN-2508000603055001

B.Com. (NCF-NEP) (Sem.-III) Examination March - 2026

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) 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. Explain the Key differences between simple interest and Compound interest
2. Soumya pipes ltd. has issued 30,000 irredeemable 14% debentures of Rs. 150 each. The cost of flotation of debentures is 5% of the total issued amount. The company's taxation rate is 40%. Calculate the cost of debt.
3. What is present value?
4. A company produces and sells 10,000 shirts. The selling price per shirt is Rs. 500. Variable cost is Rs. 200 per shirt and fixed cost is Rs. 25,00,000. Calculate operating leverage
5. State any four uses of tally software
6. Compute the compound interest on Rs. 4,000 for 1½ years at 10% per annum compounded half- yearly.
7. State any four advantages of computer accounting

Q.2. Arjun Ltd. has the following capital structure: **15**

Particulars	Rs.
Equity Capital (each of Rs.10)	4,00,000
Reserve	2,00,000
14% Preference Share	50,000
15% Debenture	7,00,000
20% Term Loan	1,50,000

Additional Information:

1. The average market price of equity share is Rs. 30. The expected dividend in the next year is 24%. The dividend grows at 11%.
2. The Tax Rate is 40%
3. The Cost of retained earnings is 2% less than cost of equity capital.

Answer of the Following:

1. Calculate the cost of equity under dividend growth model.
2. Calculate the weighted cost of capital of the company using the book value weights.

OR

Q.2. A. Find out (1) EPS (2) Operating leverage (3) Financing leverage and 4) Combined leverage from the following information of Krishna Ltd: **08**

Particulars	Amount (Rs.)
Sales	20,00,000
Variable cost	10,00,000
Fixed cost	4,00,000
Interest	1,00,000
Tax	50%
Number of equity shares	10,000

B. What is interest and why do lenders charge it? **07**
