



Daffodil International University
Faculty of Science and Information Technology
Department of Computing and Information System
Program: B.Sc. in Computing & Information System
Midterm Examination, Fall 2025
Course Code: FIN-232; Course Title: Financial Management System
Section: 20_A / 20_B, Teacher's Initial: JM

Marks: 25

Time: 1:30 Hours

Answer ALL Questions

[The figures in the right margin indicate the full marks and corresponding course outcomes. All portions of each question must be answered sequentially.]

S.N.	Questions	Marks	COs
1.	<p>BrightStar Ltd. requires Tk 12 lakhs to meet its short-term working capital needs. It is considering the following financing options:</p> <p>A. The company can purchase raw materials costing Tk 12 lakhs on trade credit terms 3/10, Net 40.</p> <p>B. The company can issue commercial paper with a face value of Tk 1,000, selling it at Tk 950 for 120 days.</p> <p>C. The company can borrow Tk 12 lakhs from Sunrise Bank for 120 days at an annual interest rate of 11%, on a collected basis. The bank requires a 5% compensating balance.</p> <p>Calculate the effective cost of each alternative. Also, find the financing option should BrightStar Ltd. choose? Explain why.</p>	[1+1+2 +1=5]	CO3
2.	<p>Rumana wants to save for her daughter's college tuition in 15 years, which will cost \$50,000. She plans to deposit \$2,500 at the beginning of each year into a savings account earning 7% p.a. compounded annually. Will she reach her goal?</p> <p style="text-align: right;">67200</p>	[5]	CO2
3.	<p>The Sunshine Company wants to purchase new equipment worth \$75,000 in 6 years. They decide to make equal annual payments into a fund earning 10% p.a. compounded annually. Find the annual payment.</p>	[5]	CO2

4.	Taslina wants to save TK 1,000,000 over 20 years for retirement. She deposits equal amounts at the end of each year into a fund earning 5% p.a. compounded annually. How much must she deposit annually?	[5]	CO2
5.	<p><u>Case: The Goal Dilemma</u></p> <p>Rahim Ltd. is a growing manufacturing company. The management is debating whether the company should focus on increasing short-term profits or maximizing the long-term value of shareholders.</p> <p>Questions:</p> <p>a) Explain the difference between profit maximization and wealth maximization.</p> <p>b) Which goal should Rahim Ltd. pursue and why?</p> <p>c) How could the financial manager align the company's operations with this goal?</p>	[2.5+2.5 =5]	CO1