

Financial Management System
Summer 2025
Set-B

- 1. Financial Services**
- 2. Financial Managers**
- 3. Partnership**
- 4. Stakeholders**
- 5. Corporate Governance**
- 6. Agency Problems**
- 7. Incentive Plans**
- 8. Institutional Investors**

Financial Management System

Summer 2025

Quiz-2

1. Mr. Rony is planning for his retirement 13 years away. When he retires, he wants a lump sum of Tk.500,000. His financial advisor suggested that 9% p.a. was a suitable interest rate to consider. How much will he have to pay per month into his retirement fund to achieve his goal? [5]
2. A company wishes to deposit an amount of money into an account at the beginning of each year for the next 7 years to purchase a new machine costing Tk.460,000. How much will each yearly payment be if the current interest rate is 7% p.a.? [5]
3. The ABC Company set up a sinking fund to assist in buying a new truck in 9 years' time. They can only afford Tk.34,000 a quarter which is paid into a savings account with an interest rate of 11% p.a. What will be the size of the sinking fund after 9 years? [5]

Daffodil International University

Financial Management System

Semester: Summer'25

Time – 30 minutes

Quiz # 3 / Set - A

Total Marks – 15

A company needs Tk. 50,000 to finance a capital expenditure. The company came into a revolving credit agreement with a bank for 3 years with a condition that the agreement may be converted into a further 3 years term loan. The bank will charge an interest rate of 2% over the prime rate for revolving credit and 3% over the prime rate for term loan. The commitment fee for both agreements is 1.5% on unused part of the loan amount. The company plans to borrow Tk. 30,000 at the beginning and Tk. 10,000 at the very end of the 2nd year. At the expiration of revolving credit agreement the company plans to take down the full amount. At the end of the 4th year, 5th year and 6th year it plans to make principal payment of Tk. 10,000, Tk. 20,000 and Tk. 20,000 each. The prime rate of interest is 10%.

- (i) Calculate the total cost of revolving credit agreement and effective interest rate for 1st year, 2nd year & 3rd year.
- (ii) Calculate the total cost of bank term loan and effective interest rate for 4th year, 5th year and 6th year.

Daffodil International University

Financial Management System

Semester: Summer'25

Time – 30 minutes

Quiz # 3 / Set - B

Total Marks – 15

DBBL granted a term loan of Tk.40 lakh to be repaid quarterly in equal installment basis over 4 years. The interest rate is 12%. Prepare the loan repayment schedule under both 'Balloon Method' and 'Capital Recovery Method'.

Finance, Summer-2025

Quiz-4, Set-A

Find the cost of preferred stock, debt, and common stock from the following information:

$$\frac{(FV - NSV) \times N}{FV + NSV \times \frac{1}{2}}$$

a) 12% Preferred stock of Tk. 100 par value is to be redeemed after 5 years sold for Tk. 95 and floatation cost Tk. 7 per share.

b) 17% Debenture of Tk. 4000 par value for 7 years sold for 3700. The corporate tax rate is 40%.

$$\frac{100(1+g)}{P_0 - F}$$

c) Equity share selling at a current market price of Tk. 165 and the current dividend declared is Tk. 15 per share, which is expected to grow at the rate of 6%, floatation cost being 5% of the market price.

$$\frac{DP}{P_0 - F}$$

d) 16% Preferred Stock of Tk. 100 par value sold for Tk. 115 with a floatation cost of Tk. 5 per share.

e) 12% Bond of Tk. 100 par value sold for 10% discount with 5% floatation cost of the market price. Corporate tax rate 30%.

Finance, Summer-2025

Quiz-4, Set-B

Find the cost of preferred stock, debt, and common stock from the following information:

- a) Equity share selling at a current market price of Tk. 165 and the current dividend declared is Tk. 15 per share, which is expected to grow at the rate of 6%, floatation cost being 5% of the market price.
- b) 16% Preferred Stock of Tk. 100 par value sold for Tk. 115 with a floatation cost of Tk. 5 per share.
- c) 12% Bond of Tk. 100 par value sold for 10% discount with 5% floatation cost of the market price. Corporate tax rate 30%.
- d) 12% Preferred stock of Tk. 100 par value is to be redeemed after 5 years sold for Tk. 95 and floatation cost Tk. 7 per share.
- e) 17% Debenture of Tk. 4000 par value for 7 years sold for 3700. The corporate tax rate is 40%.