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Paper 6 (In simple)

- Q1 A] 1) T 2) F 3) T 4) F 5) F 6) F 7) T 8) T 9) T 10) T
 B] 1-e, 2-f, 3-h, 4-a, 5-c, 6-b, 7-j, 8-d, 9-l, 10-g

Q2 A] $A = P \left(1 + \frac{r}{100}\right)^n$

$A = 150000 \left(1 + \frac{6.5}{100}\right)^4$

$= 192970$

$A = 150000 \left(1 + \frac{3.2}{100}\right)^4$

$= 173737$

B] $PV = 185095$

Q3) PB $A = \frac{800000}{265000} = 3.02 \text{ yrs}$ $B = \frac{800000}{235000} = 3.39 \text{ yrs}$

A $PV \text{ of Inflow of A} = 265000 \times 3.312 = 877680$
 $NPV = 77680$

$PI = 1.0971$

PB profitability = $265000 \times 4 - 800000 = 260000$

B $PV \text{ of Inflow} = 235000 \times 3.993 = 938355$
 $NPV = 138355$

$PI = 1.17$

PB profitability = $235000 \times 5 - 800000 = 375000$

Q3 CI = 4,00,000
 (350,000) Dep
 50,000 PBT
 15,000
 35,000 PAT
 350,000
 385,000 C.I

$PB = \frac{28,00,000}{385,000} = 7.27 \text{ yrs}$

PB recpno = $\frac{1}{7.27} \times 100 = 13.76\%$

2

B profitability = $38,000,000 \times 8 - 28,000,000 = 2,800,000$
 ARR = $\frac{2,800,000}{28,000,000} = 1.25\%$

4.] Walker

$$P = \frac{D + (E - D) \times r}{k}$$

$$= \frac{4 + (10 - 4) \times \frac{0.12}{0.08}}{0.08}$$

$$= \boxed{\text{₹} 162.5}$$

Gordon

$$P = \frac{D}{k - b \times r}$$

$$= \frac{4}{0.08 - 0.12 \times 0.6}$$

$$= \boxed{\text{₹} 500}$$

4.] Ltd

$$\frac{5 + (10 - 5) \times \frac{0.10}{0.08}}{0.08}$$

$$= \boxed{\text{₹} 140}$$

$$\frac{5}{0.08 - 0.10 \times 0.50}$$

$$= \boxed{\text{₹} 166.67}$$

4.] Ltd

$$\frac{6 + (10 - 6) \times \frac{0.15}{0.12}}{0.12}$$

$$= \boxed{\text{₹} 91.67}$$

$$\frac{6}{0.12 - 0.40 \times 0.15}$$

$$= \boxed{\text{₹} 100}$$

Q4A]

Part	₹ (in lakhs)	Cost
E	8	16%
R	3	15.5%
Term	12	12%
Debt	18	9%
	<u>31</u>	



$$WACC = \frac{480500}{3100000}$$

$$= \boxed{15.5\%}$$

3

B).

Debt	Rebt	Equity	Kd	K _e	Cost of debt	Cost of Equ	TC	WACC.
-	-	2,00,000	8%	13%	-	260000	260000	13%
20	400000	1600000	7%	15%	28000	156000 240000	268000	13.4%

200
500

For theory, examiners may allot marks on their own discretion.

