

Name:  
Enrolment No:



**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**  
**End Semester Examination (Online) – July, 2020**

**Program: BBA AM, DM, FT, FBE, FAS & T& HM**  
**Subject/Course: Financial Management**  
**Course Code: FINC 1002**

**Semester : II**  
**Max. Marks: 100**  
**Duration : 3 Hours**

**IMPORTANT INSTRUCTIONS**

1. *The student must write his/her name and enrolment no. in the space designated above.*
2. *The questions have to be answered in this MS Word document.*
3. *After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.*

		<b>Marks</b>	<b>COs</b>
Q.1	How is a project evaluated under Internal Rate of Return method of capital budgeting? What are the advantages and disadvantages of this method?	20	3
Q.2	Although not binding but what are the factors which compels Directors to share dividend with preference shareholders.	20	3
Q.3	Explain Gordon Dividend Model? Discuss its assumptions and limitations	20	2
Q.4	Compare and explain how Profitability Index is a better technique than Net Present Value? Under what circumstance these two contradict with each other.	20	3
Q.5	Explain the importance of WACC. Elaborate its components and steps to calculate them.	20	3

**ANSWERS**

