

**APPEARANCE OF MOBILE PHONE(S) / SMART DEVICE(S) SUBJECT TO CONSIDERED AS AN  
ACT OF CHEATING**

College Name: \_\_\_\_\_

Student Name: \_\_\_\_\_ Seat No: \_\_\_\_\_

Copy No: \_\_\_\_\_

**KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION JUNE 2015; AFFILIATED COLLEGE  
INTRODUCTION TO BUSINESS FINANCE; BA (M)-621 (PART B)  
MBA-III**

**Date: June 22, 2015**

**Max Time: 1.5 Hrs**

**Max Marks: 30**

**INSTRUCTIONS:**

- 1. Attempt all questions. Do not write anything on the question paper.**
- 2. Mobile phones or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q.1 What are the different techniques of management of cash? Discuss.
- Q.2 Explain the difference between normal and nonnormal cash flows, and their relationship to the multiple IRR problem.
- Q.3 For any developed economy, how many types of financial markets are there? Explain them.
- Q.4 You have the opportunity to invest in a machine that costs Rs. 340,000. The machine generates revenues of Rs. 100,000 at the end of each year and requires maintenance costs of Rs. 10,000 at the beginning of each year. The machine incurs a maintenance cost today because of start up expenses. If the economic life of machine is five years and the relevant discount rate is 10%, should you buy the machine?
- Q.5 a) The government has issued a bond that will pay Rs. 1000 in 25 years. The bond will pay no interim coupon payments. What is the today's price (present value) of the bond if the discount rate is 10 percent?
- Q.5 b) From the given information, calculate the value of sales. Current ratio 2, Quick ratio 1.4, Current liabilities Rs.100, 000, Inventory turnover 6x and Gross profit margin 0.2.

**END OF SUBJECTIVE PAPER**