Daffodil International University
Faculty of Business & Entrepreneurship
Department of Business Administration
Program: BBA

Semester: Summer 2025 | Examination: Mid-Term
Time: 1 Hour and 30 Minutes | Full Marks: 25
Course Code: 0412-221 | Course Title: Financial Management
Section: All | Teachers' Name: DMK, DAZR, SAA, SNR, DMRH, MSK, MOG, DS

1.
Discuss the key functions of a finance manager in enhancing a company's financial performance and ensuring the maximization of shareholder value. (CLO1, L1) 03

2.
Define Capital Budgeting. Describe the steps of Capital Budgeting. (CLO1, L1) 03

3.
Orion Pharmaceuticals Ltd (OPL) has stepped into its 27th year of its Excellence in 2014 with lots of inspiration from previous successful years. OPL has started its production in 2011 at the state-of-the-art factory (Unit 2), which is built in compliance with CGMP standards, where people are protected by assuring the highest quality of the products and environment. As the financial manager of OPL, you have the following information available. From the information, you are required to estimate the Cost of Capital for each of the following components.
(CLO3, L5) 06

- 13% Preferred stock of Tk. 100 par value is to be sold for Tk. 120 and floatation cost Tk. 7 per share.
- 15% Debenture of Tk. 1000 par value, sold for Tk. 1500, the maturity period is 5 years, and the flotation cost is Tk. 200 per debenture.
- Equity shares are selling at the current market price of Tk. 175 and current dividend is Tk. 14 per share, which is expected to grow at the rate of 6%, and the flotation cost is 5% of the market price. Corporate tax rate 30%

4.
Decco Food Ltd is in the process of choosing an investment project. The relevant cash flows for the project are shown in the following table. The firm's cost of capital is 13%.

Cashflows	Project
Initial investment	4,00,000
Year	
1	85000
2	120000
3	120000
4	120000
5	90000

You are required to determine the payback period, net present value, and internal rate of return for the project and decide whether to invest in the project. (CLO3, L5) 07

5. From the following information, estimate the Current ratio, Debt ratio, Average collection period, Total asset turnover ratio, Gross profit margin ratio, and Return on assets.
(CLO3, L5) 06

Particulars	**Tk. in Million**
Sales	55,000
Current Asset	79,000
Current Liabilities	45,000
Fixed Asset	82,000
Cash	25,000
Accounts Receivables	39,000
Total Assets	1,61,000
Total Liability	61,000
Total Equity Capital	1,00,000
Gross Profit	46,000
Net Profit	22,000
Long-term Liability	16,000