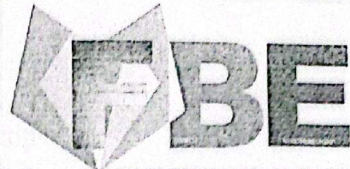


	Daffodil International University Question Moderation Form			
Department	Business Administration	Program	BBA	
Semester	Summer ~~Summer~~ Fall	Year	2025	
Course Title	Principles of Finance			
Course Code	0412-123			
Question Type (✓)	☒ Midterm Examination ✓		☐ Final Examination	
Length of Exam	90 Minutes			
Course Teacher	DAZR			
Contact	Email: headba@daffodilvarsity.edu.bd		01712176306	

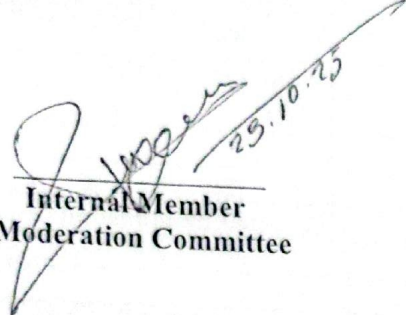
Course Learning Outcome: By the end of the course, student will be able to:

CLO1	Remember the basic concepts of finance, managerial finance, functions of finance, the goal of a firm, agency problems, sources of funds, the concepts of the time value of money, short-term finance, long-term finance, lease finance, risk, and return.
CLO2	Apply the knowledge in preparing loan repayment and lease payment schedules.
CLO3	Evaluate the cost of short-term and lease financing, estimate the value of long-term finance, and determine the time value of money for decision-making and the concept of risk & return, as well as evaluate the financial performance of a company using different ratios.

Note: Please add columns for CLOs, if needed.

Compliance of Questions with CLOs and Bloom's Taxonomy

To be completed by Course Teacher						To be completed by Moderator(s)
Question No.	Marks per Question	Question addressing CLO(s)	Level of Bloom Taxonomy	Percentage of Marks for the Complexity Level	Question (s) addresses the CLO satisfactorily (Yes/No/NA)	Remarks from Internal Member
1	10	01	02	Remember and Understanding Level	<i>Plz be consistent with CLO's Taxonomy</i>	
2	7	03	05			
3(i)	4	02	03	40%		
3(ii)	4	03	05	Apply, Analyze, Evaluate and Create Level		
				60%		
Total Marks	25	1,2 & 3	2, 3 & 5	100%		


Internal Member
Moderation Committee


23.10.25
Internal Member
Moderation Committee


25.10.25
Convener
Moderation Committee

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

Semester: Fall 2025
Time: 1 Hour and 30 Minutes
Course Code: 0412-123
Section: All

Examination: Mid-Term
Full Marks: 25
Course Title: Principles of Finance
Teachers' Name: DAZR, SNR, MOG

Question 1: Read each of the questions carefully and answer precisely (preferably in 2-3 sentences each):

- (i) Suppose, your friend, Fredous, asked you to lend him Tk. 5,000 today. He promised you to pay Tk. 5,000 back a year later. Considering one of the principles of finance, you denied him to lend the fund today. **Explain** the reason. [CLO 01, L02, Mark: 2] *Be consistent with CLOs*
- (ii) A company purchased a machinery equipment using long term funds. Has the company done right? **Explain**. [CLO 01, L02, Mark: 2] *Same*
- (iii) "Agency problems arise when managers deviate from the goal of maximization of shareholder wealth by placing their personal goals ahead of the goals of shareholders." **Explain**. [CLO 01, L02, Mark: 3] *Same*
- (iv) **Compare** a line of credit and revolving credit. [CLO 01, L02, Mark: 3] *Same*

Question 2:

A company needs Tk. 800,000 to meet working capital requirement immediately. It has the following alternative sources:

- (i) The company can buy Tk. 800,000 of raw materials on terms of 3/25, Net 90.
- (ii) BRAC Bank PLC will lend Tk. 800,000 at 13% interest with 15% compensating balance requirements.
- (iii) To issue a 3-month-commercial paper worth Tk. 850,000 discounted at Tk. 825,000. The arranger is expected to charge Tk. 22,500 as floatation costs.
- (iv) The City bank PLC offers a revolving credit agreement for Tk. 800,000 at 12.5% interest with a commitment fee of 0.50% on the average unused balance. The average use of loan is 75%

Requirement: Which alternative should the company choose and why? [CLO 03, L05, Mark: 7]

Be consistent with CLO's for answer

Question 3:

- (i) Daffodil Computer Ltd. has borrowed Tk. 60,00,000 with a 13 percent interest rate for 5 years from AB Bank PLC. The company has to repay the loan and interest at each year's end. **Apply** the facts to identify the amount of annual payment that Daffodil Computer Ltd. must make to pay off the loan and to prepare an amortization schedule based on the *Capital Recovery Method*. [CLO 02, L03, Mark: 4]
- (ii) Mr. Mahmud is planning to go for higher studies in Australia after 10 years when he will require Tk. 25,00,000. Currently, the banks provide 10% rate on deposits. **Determine** the amount of deposit per month to make the funds of higher studies available after 10 years? [CLO 03, L05, Mark: 4]

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