

FINAL ASSESSMENT (F-TAP)

Semester	:	Fall	Year	:	2020
Course Title	:	Managerial Finance			
Course Code	:	FIN200	Version V1_U2		
Instructor(s)	:	Elvin Allazov			
<small>(Includes names of all instructors teaching this course)</small>					
Submission Date	:	14/02/2021			

To be completed by the student

Student Name	:				
Student ID	:		Department	:	
Major	:		Section	:	
Integrity Statement	:	<i>"I affirm that I completed my exam on my own. I did not receive any help or use any unlawful resources."</i>			
Signature	:				

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Grading Scheme

Question	Earned Points	Max. Points	Question	Earned Points	Max. Points
1		10	6		
2		45	7		
3		45	8		
4			9		
5			10		

Total Earned Points	Total Available Points	Instructor Name
	100	

Important Notes:

- Any attempt at plagiarism will be reported. All ACM handbook academic misconduct rules will be applied.
- It is the responsibility of the student to submit this online exam paper to the instructed online platform (Moodle, Turnitin)

Question 1: State whether each below statement is True Or False
Statements: (10 points - 2 points each)

- a. When share split happens the value of the company will be the same, but the number of shares will decrease
- b. Normal Payback Period is the number of years required to recover the funds invested in a project from its operating cash flows.
- c. Investing activities are how much cash is generated from companies' products or services.
- d. Market Value ratios are how well company is using its assets and liabilities internally.
- e. If the Profitability Index is higher than 1, the project generates value and the company may want to proceed with the project.

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Question 2: Calculations Exercises: _____ (45 points)

Show your calculations and formula to earn full grade

- a. Coosto24 Company reported Current Assets of \$600,000 and Current Liabilities of \$320,000. Calculate **working capital** and **explain the results (15 points)**
- b. The Company DEN has a beta of 1.30. The risk-free rate of return is 1.90 percent and the market rate of return is 5.10 percent. *What is the CAPM cost of equity? (15 points)*

- c. Calculate EPS (Earnings Per Share) based on the given data below: **(15 points)**

Sales	1,400 \$
COGS	210
Interest Paid	50
preferred dividends	70
Number of Common Stock outstanding	85

Question 3: problem solving **(45 points)**

MarCo Limited has an initial cost of \$65,000 expected net cash inflows of \$22,000 per year for 4 years, and a cost of capital of 5%.

- (a) Calculate the Normal Payback Period: (5 points)
- (b) Calculate the NPV: (25 points)
- (c) Calculate the Profitability Index: (5 points)
- (d) Do you think the project be accepted and why? (10 points)