

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT
Office of the Dean
Model Question 2024

Full Marks: 100

Pass Marks: 50

Time: 4 Hrs

MBM / Second Semester / MBM510: Operation and Technology Management

Group A

Case Analysis [1x25 = 25]

1. Read the case given below carefully and answer the questions followed by

A growing manufacturing company, Himal Biscuit Company (HBC), with its head office in Kathmandu is considering opening a manufacturing center outside Kathmandu valley. Company executives have selected two potential sites for location of the new facility, one near Butwal, and the other near Barhabise.

Most of the materials and equipment's parts for the production of final products come from India. The transportation from India would be less costly with a Butwal location. But the prospects of future availability of this supply at competitive prices are not encouraging. The possibility of further restrictions on transportation, import duties and material embargo make investment with the India supply less desirable. The potential on the Barhabise is much better. In fact, recent testing indicates that the Barhabise site may be within a hundred miles of one of the huge material sources of China.

It is obvious that proper evaluation of this situation is crucial to the success of the company as a whole; much time and money must be spent to resolve the issue. But this is not the only location consideration; other costs and factors must also be considered. The company should be focused on the comparative costs of such things as construction, utilities, transportation, and labor.

Property and labor have been found to be less costly in Barhabise. The construction and site costs found to be high in Butwal. After construction is completed, operating costs will become crucial. They may make the difference between success and failure for the new plant. For Himal Biscuit Company, the most important of these costs are labor, materials, utilities, transportation, pollution control, and taxes. Other considerations of some relevance are labor union strength, climate, local people, and infrastructure.

Data have been collected and statistical forecasts made to determine the possible future impact of each of these factors on operating costs. Barhabise has been found to have lower total operating cost. Butwal, however, is located near much of the planned market and therefore distribution costs would be less. In addition, less competition exists around Butwal. Several competitors have emerged recently around Barhabise, and regional competition for everything from product demand to professional employees will be more difficult there.

If HBC goes through with its proposed expansion, many key personnel from the Kathmandu office will be asked to transfer to the new location. A poll of those employees indicated that most would prefer to move to Butwal. Data from chamber of commerce show that there are more hospitals, schools and recreational opportunities than in Barhabise.

Question

- a) Discuss the key success factors for proper location selection of HBC. [10]
- b) Which location the HBC should select? Give the reasons. [5]
- c) Which method of location selection would be appropriate to reach a decision? Explain critically. [10]

Group B

Problem solving/ Critical Answer questions.

Attempt any three questions [3x15 = 45]

2. Helms Appliances wants to establish an assembly line to manufacture its new product, the Micro Popcorn Popper. The goal is to produce five poppers per hour. The tasks, task times, and immediate predecessors for producing one Micro Popcorn Popper are as follows:

TASK	TIME (minutes)	IMMEDIATE PREDECESSORS
A	10	-
B	12	A
C	8	A, B
D	6	B, C
E	6	C
F	6	D, E

- a. What is the theoretical minimum for the smallest number of workstations that Helms can achieve in this assembly line?
 - b. Graph the assembly line and assign workers to workstations. Can you assign them with the theoretical minimum?
 - c. What is the efficiency of your assignment?
3. The demand for subassembly S is 100 units in week 7. Each unit of S requires 1 unit of T and 2 units of U. Each unit of T requires 1 unit of V, 2 units of W, and 1 unit of X. Finally, each unit of U requires 2 units of Y and 3 units of Z. One firm manufactures all items. It takes 2 weeks to make S, 1 week to make T, 2 weeks to make U, 2 weeks to make V, 3 weeks to make W, 1 week to make X, 2 weeks to make Y, and 1 week to make Z. Construct a net material requirements plan using the following on-hand inventory.

ITEM	ON-HAND INVENTORY	ITEM	ON-HAND INVENTORY
S	20	W	30
T	20	X	25
U	40	Y	240
V	30	Z	40

4. Write down the difference between technology management and innovation management. Explain the TM activities and TM tools.
5. Discuss the scopes of operations management. Explain the evolution of operations management.

Group C.

Concept based answer questions.

Attempt any six questions (6x5=30)

6. Explain the implications of four Vs framework.
7. Write down the challenges and opportunities of digital transformation.
8. The photographic paper manufacturer has a coating line with a design capacity of 200 square meters per minute, and the line is operated on a 24-hour day, 7 days per week (168 hours per week) basis. There is lost production occurring because of reasonably unavoidable, planned occurrences which amount to 59 hours per week. And 58 hours per week of loss due to unplanned, and avoidable, losses and amount to 58 hours. Determine the Design and effective capacity.
9. Differentiate between radical and continuous improvement.
10. Describe the technology management.
11. Explain internal and external technology sourcing approaches.
12. Differentiate between patent search and patent analysis.
13. Explain the selection capability.

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Model Question 2024

Full Marks: 100
Pass Marks: 50
Credit Hour: 3
Time: 4 Hrs

MBM / Second Semester / MBM 508: Economics for Business

Candidates are required to answer all the questions in their own words as far as practicable. Figures in brackets indicate full marks.

Group "A"

Case / Situational Analysis Questions

Attempt All Questions:

1. *Carefully read the case given below, critically analyze it and answer the questions that follow:* **[25]**

Economies of scale are the cost-saving factors that arise due to the increase in the scale of production. Cost-saving factors arise both inside the firm and outside the firm. There are considerable economies of scale in banking. These have resulted in a wave of mergers and takeovers. The process has been hastened by increasing deregulation in the banking industry, which has permitted banks to take on a whole range of functions.

The economies arise in the process known as 'financial intermediation'. This involves providing a link between those who want to deposit money and those who want to borrow it. It involves matching the supply of funds to the demand for them.

If there were many small banks, much of their business would be in dealing with each other: in balancing inflows and outflows of funds between them. Even with computers, this would be a costly process and involve the banks having to maintain substantial reserves in case outflows exceeded inflows. With fewer bigger banks, however, an increased proportion of the flow of funds would be between their customers and thus would not involve dealing with other banks. Thus reserves could be smaller as a percentage of total assets.

Also, as banks get bigger and the number of customers increases, so net withdrawals (positive or negative) diminish as a proportion of total deposits held. This, again, means that banks need to hold a smaller proportion of reserves: they can operate with a lower liquidity ratio. This increases the bank's profitability since cash reserves earn banks no money and money at call earns a low rate.

Banks also benefit from mergers, i.e. both horizontal and vertical. This means that they gain economies by diversifying into different but related activities. Thus traditional retail banks, such as Barclays and NatWest, have diversified into wholesale banking, stockbroking, discounting bills, insurance, foreign exchange dealing, and a whole range of financial services to the corporate sector. This diversification not only reduces average costs, since customers can receive more than one service from the same premises or through the same Internet site or telephone service, but it also reduces risk. If one part of the business became less profitable, this could be offset by increased profits from another. Banks may also achieve growth through the strategy of pay for performance.

Today it makes more sense to talk of retail or wholesale banking activity, rather than retail or wholesale banks. After all, the same banks are involved in both types of activity - and many more.

Questions:

- a. Are there any circumstances where diversification could lead to increased risks?
- b. To what extent are the lower costs associated with Internet banking attributable to economies of scale?
- c. How do banks achieve the benefits from mergers?
- d. Is it rational to pay for performance strategy to achieve growth in the banking business? Explain.

Group "B"

Problem-Solving / Critical Analysis Questions

Answer any THREE questions:

[3 × 15 =45]

2. Consider the following information.

Year	2019	2020	2021	2022	2023
Price	40	36	32	28	24
Sales expenditure	80	90	104	120	140
Sales ('000 units)	160	176	204	220	240

- a. Estimate sales trend for 2024.
 - b. Estimate sales on price for 2024 when the price decreases to Rs20. What is the price elasticity of demand?
 - c. Estimate the sales on sales expenditure for 2024 when sales expenditure increases to Rs164 million. What is the sales elasticity of demand?
 - d. Which strategy will be more effective in increasing sales for 2024 and why?*[4+4+4+3]*
3. Suppose two firms have equal market share in an oligopoly market, one of them being a Low-cost one. The market demand function is given as $P= 105 - 2.5(Q_1+Q_2)$. The cost function of these firms reads as: $TC_1= 5Q_1$, $TC_2=15Q_2$. Based on this information, (a) Calculate the price, output, and profit of a Low-cost firm. (b) Is this price acceptable to the high-cost firm? (c) What type of pricing strategy can the low-cost firm follow to remove the high-cost firm from the market? (d)Can low-cost firm remove the business existence of small firms from the market? Give reasons. *[6+3+3+3]*

4. A biscuit factory, operating in Kathmandu Valley has the following demand and cost functions.

$$P = 30 - 0.3Q, TC = 210 + 6Q, \text{ where } Q = \text{output in units, } P = \text{Price in rupees}$$

If the company wanted to maximize profit, what is the price-output combination and total profit and revenue? The management of the company realizes the need to capture the market. Therefore, it started to promote its product with the strategy of sales revenue maximization instead of profit maximization. What will be the price-output combination, total profit, and maximum TR under the condition of sales revenue maximization?

The company's shareholders did not like the market share capture strategy (sales revenue maximization) followed by the management. The shareholders showed strong dissatisfaction with the management in its Annual General Meeting (AGM). They argued that management should not be given opportunities for free play in the company. The shareholders meeting consensually decided to put restrictions with a minimum profit of Rs. 255. Under this condition, what is the optimum price-output combination and total revenue? What are the policy implications of these three strategies in achieving business growth? [4+3+5+3]

5. Critically assess the features of current monetary policy.

Group "C"

Concept Oriented Short Answer Questions

Answer any FOUR questions:

[6 × 5 = 30]

6. Explain the Kinked demand curve model.
7. Explain the concept of two-part tariffs with suitable examples.
8. Explain the concept of Nash equilibrium.
9. Explain the factors that cause market failure.
10. Explain the concepts of economic profit and business profit with suitable examples.
11. How do managers use the concept of price elasticity of demand in making business decisions? Explain with examples.
12. How do people use economic principles to make decisions?

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Model Question 2024

Full Marks: 100 Pass Marks: 50 Time: 4 Hrs

MBM / Second Semester / MBM 509: Managing People

Candidates are required to give their answers in their own words as far as practicable.

Group A: Case analysis question

Q.N. 1) Read the following situation prudently and answers the questions given at the end. **25**

For years, my colleagues and I have advised anyone who would listen to hire for attitude, train for skills. Organizations that get it backward pay a heavy price. One of my favorite quotes is that of Richard Fairbank, CEO of Capital One, who said, “At most companies, people spend 2 percent of their time recruiting and 75 percent managing their recruiting mistakes.” Our research confirms that these are companies that hire for skills and try to do the nearly impossible: train for attitude.

The question I’m asked repeatedly is, “How do you hire for attitude?” My response includes such things as determining a job candidate’s identification with the mission and values of the organization. It may even include assessing comfort with the leadership, the team with which the candidate will be working, the job, and the way work gets done around the place. These all add up to what is often referred to as “fit” with the organization?

There are two other indicators that I observed being put into practice last month during a case-writing trip to a well-known restaurant at Pokhara, Nepal. This is a restaurant where the tab for a lengthy tasting menu for one person can approach Rs.10, 000. Team members describe the experience as a food tasting “journey” and speak of the “magic” they help create. Average team members appear to be in their 20s with a few years of experience. They told me they were attracted to a spirit of knowledge-sharing and cross-training—as opposed to the fiefdoms and management by fear typical of other fine dining establishments—on the job. Nearly all that I spoke with mentioned what they were learning—and in some cases, teaching.

That reminded me once again of the motto that I had printed up and posted throughout (SOMTU) School of Management, TU when I was the director of the MBA program some years ago: We All Learn—We All Teach—For Life. That message was intended for both students and faculty. To the list of other questions we might employ in determining a job candidate’s attitude, perhaps we should add: What have you been learning? What do you want to learn on this job? What do you feel you can teach others on this job?

Of course, every organization is different. Hiring practices have to be customized accordingly. Teaching and learning have to be a part of an organization’s culture for this to have any relevance.

Questions:

- a) Provide the synopsis and landscape of the above case and situation with major issues and problems (9)
- b) How do you hire for attitude and what do you think? Explain (8)
- c) How do we customize the hiring practices based on organizational nature and culture? Explain (8)

Group B: Problem solving/Critical answer questions

Attempt any TWO question

3 x 15 = 45

Q.N. 2) Critically evaluate the major challenges of human resource management in Nepalese organization

Q.N. 3) Critically examine the job design practices in Nepalese organization.

Q.N. 4) Sketch and devise the relationship among power, politics and change in organization with examples.

Q.N.5) Why performance appraisal is necessary in the organization? Discuss the major issues of productivity and time management for people.

Group C: Concept based answer questions

Attempt any FOUR question

5 x 6 = 30

Q.N. 6) How does people management differentiate with human resource management? explain with an example

Q.N. 7) State and explain the different sources of job analysis information.

Q.N. 8) Why is talent management necessary for people management? Describe in brief with an example.

Q.N. 9) How does an organization evaluate training effectiveness? explain with an example

Q.N. 10) State and explain the major issues of HR analytics with an example.

Q.N. 11) How does an organization create the effective culture? describe with an example

Q.N. 12) Describe in brief the roles of a manager in the process of performance management

Q.N. 13) Explain in brief the impact of organizational factors on people management

Best of Luck

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Full Marks: 100
Pass Marks: 50
Time: 4 Hrs

MBM / Second Semester / MBM 507: Management Information System

GROUP A

1. Attempt All question.

Case Analysis

[25]

The ABC corporation is a newly established company and the owner is looking for an efficient method of collecting, storing, and manipulating data. The corporation offers a variety of pet supplies and is initially a retailer that is currently selling products only online. As the corporation grows, it plans to also include physical retail locations in which to add services to the company's offerings.

As a startup business, the ABC corporation needs to implement a database management system to allow the collection and sharing of business data among the employees; thus, the database management system should allow for multiple users. The corporation is currently gathering information about database management systems and seeking a contractor to create and implement the system. Business data will be organized in a logical manner and will be retrieved using a client-server network.

- a. Introduce the business scenario to analyze and discuss the benefits of implementing a database management system. [12.5]
- b. Describe what business data the company would benefit from collecting and manipulating. [12.5]

GROUP B

Problem Solving / Critical Answer Question:

3X15=45

Attempt Any Three question:

2. What are the things that are required for the advancement of E-commerce from the customer and seller perspective?
3. Information system is not only about technology ,justify this statement.
4. With the advancement of technology , the security of information resources are more vulnerable than past, justify this statement and also explain the technologies and tools for protecting information resources.
5. Illustrate and mention the importance of memory hierarchy in a computer system.

GROUP C

Concept Based Answer Question

5X6=30

Attempt Any Six Questions

6. A friend of your needs to buy a printer and he/she is confused whether to buy Inkjet printer or laser printer, how you will suggest him/her?
7. Without operating system we can't imagine a computer, justify this statement.
8. How the cache memory improve the performance of a computer system?
9. Mention the benefit of collaboration .
10. Explain the technology driver for IT infrastructure evolution.
11. Explain any three types of network topology with their advantages and disadvantages..
12. As a manger of an organization what are the desirable features you want to have in a management information system?
13. Among the various tools of Online marketing, which one is the most productive and why?

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Full Marks: 100

Pass Marks: 50

Office of the Dean

Time: 4 Hrs

Model Question 2024

MBM / Second Semester / MBM 504: Financial Management

Candidates are required to answer all the questions in their own words as far as practicable. Figures in brackets indicate full marks.

Group "A"

Case Analysis

1. Carefully read the following case and analytically answer the questions given below: [25]

Gopal Sharma was brought in as assistant to Himalaya Company's Chairman, who had the task of getting the company back into a sound financial position. Company's 2022 and 2023 balance sheets and income statements, together with projections for 2024, are shown in the following tables. Also the tables show the 2022 and 2023 financial ratios, along with industry average data. The 2024 projected financial statement data represent company's best guess for 2024 results, assuming that some new financing is arranged to get the company into sound position.

Balance Sheets of Himalaya Company

Assets	2022	2023	2024
Cash	Rs 9,000	Rs 7,282	Rs 14,000
Short-term investments	48,600	20,000	71,632
Accounts receivable	351,200	632,160	878,000
Inventories	715,200	1,287,360	1,716,480
Total current assets	Rs 1,124,000	Rs 1,946,802	Rs 2,680,112
Gross fixed assets	Rs 491,000	1,202,950	Rs 1,220,000
Accumulated depreciation	(146,200)	(263,160)	(383,160)
Net fixed assets	Rs 344,800	Rs 939,790	Rs 836,840
Total assets	Rs 1,468,800	Rs 2,886,592	Rs 3,516,952
Liabilities and Equity	2022	2023	2024
Accounts payable	Rs 145,600	Rs 324,000	Rs 359,800
Notes payable	200,000	720,000	300,000
Accruals	136,000	284,960	380,000
Total current liabilities	Rs 481,600	Rs 1,328,960	Rs 1,039,800
Long-term debt	Rs 323,432	Rs 1,000,000	Rs 500,000
Common stock (100,000 shares)	460,000	460,000	1,680,936
Retained earnings	203,768	97,632	296,216
Total equity	Rs 663,768	Rs 557,632	Rs 1,977,152
Total Liabilities and equity	Rs 1,468,800	Rs 2,886,592	Rs 3,516,952

Income Statements of Himalaya Company

	2022	2023	2024
Sales	Rs 3,432,000	Rs 5,834,400	Rs 7,035,600
Less: Cost of goods sold	Rs 2,864,000	Rs 4,980,000	Rs 5,800,000

Other expenses	340,000	720,000	612,960
Depreciation	18,900	116,960	120,000
Total operating costs	Rs 3,222,900	Rs 5,816,960	Rs 6,532,960
EBIT	Rs 209,100	Rs 17,440	Rs 502,640
Less Interest expenses	62,500	176,000	80,000
EBT	Rs 146,600	(Rs 158,560)	Rs 422,640
Less Taxes (40%)	58,640	(63,424)	169,056
Net income	Rs 87,960	(Rs 95,136)	Rs 253,584
Other data:			
Stock price	Rs 8.50	Rs 6.00	Rs 12.17
Shares outstanding	100,000	100,000	250,000
EPS	Rs 0.88	(Rs 0.951)	Rs 1.014
DPS	Rs 0.22	Rs 0.11	Rs 0.22
Tax rate	40%	40%	40%
Book value per share	Rs 6.638	Rs 5.576	Rs 7.909
Lease payments	Rs 40,000	Rs 40,000	Rs 40,000

Ratio Analysis

Financial Ratios	2022	2023	2024	Industry Average
Current ratio	2.3	1.5	----	2.5
Quick ratio	0.8	0.496	----	1.2
Inventory turnover	4.8	4.5	----	5.5
Days sales outstanding	37.3	39.6	----	40 days
Fixed assets turnover	10.0	6.2	----	6.5
Total assets turnover	2.3	2.0	----	2.5
Debt ratio	54.8%	80.7%	----	50.0%
Times interest earned	3.3	0.1	----	6.2
Profit margin	2.6%	-1.6%	----	3.6%
Basic earning power	14.2%	0.6%	----	17.8%
ROA	6.0%	-3.3%	----	9.0%
ROE	13.3%	-17.1%	----	17.9%
Price/earnings (P/E)	9.7	-6.3	----	16.2
Price/cash flow	8.0	27.5	----	7.6
Market/book	1.3	1.1	----	2.9

Gopal examined monthly data for 2023 (not given in the case), and he detected an improving pattern during the year. Monthly sales were rising, costs were falling, and large losses in the early months had turned to a small profit by December. Thus, the annual data looked somewhat worse than final monthly data. Also, it appeared to be taking longer for the advertising program to get the message across, for the new sales offices to generate sales, and for the new manufacturing facilities to operate efficiently. In other words, the lags between spending money and deriving benefits were longer than company's managers had anticipated. For these reasons, Gopal and the chairman see hope for the company- provided it can survive in the short run.

Gopal must prepare an analysis of where the company is now, what it must do to regain its financial health, and what actions should be taken. Your assignment is to help him answer the following questions.

- a. Explain the five major categories of ratios and importance of ratios.
- b. Calculate the 2024 current and quick ratios based on the projected balance sheet and income statement data. What can you say about the company's liquidity position in 2022 and 2023, and as projected for 2024? We often think of ratios being useful (1) to managers to help run business, (2) to bankers for credit analysis, and (3) to stockholders for stock valuation. Would these different types of analysts have an equal interest in the liquidity ratios?
- c. Calculate the 2024 inventory turnover ratio, days sales outstanding (DSO), fixed assets turnover, and total assets turnover. How Does Company's utilization of assets stack up against that of other firms in its industry?

- d. Calculate the 2024 debt ratio and times-interest-earned. How does company compare with the industry with respect to financial leverage? What can you conclude from these ratios?
- e. Calculate the 2024 profit margin, basic earning power, return on assets, and return on equity. What can you say about these ratios?
- f. Calculate the 2024 price/earnings ratio, price/cash flow ratio and market/book ratio. Do these ratios indicate that investors are expected to have a high or low value of the company?

Group "B"

Problem Solving / Critical Answer Questions

Answer any **THREE** questions:

[3 × 15 = 45]

2. Why do you think that value maximization is an appropriate objective of the firm? Does an attempt by the management to maximize value of the firm also benefit the society? Explain.
3. Mega (Pvt.) Ltd. is contemplating to purchase a machine for Rs 100,000. It will cost Rs 20,000 for its installation. It will need another Rs 20,000 for working capital. The machine is cost effective. It will save annually Rs 40,000 operating cost. The economic life of the machine is 5 years and it falls in 3-year life class. The machine will have Rs 10,000 salvage value. Marginal tax rate applicable to this company is 20 percent. Answer to the following questions:
 - a. What will be the initial investment outlay of the project?
 - b. What will be the annual operating cash flows of the project and terminal cash flow?
 - c. Should Mega purchase the machine if the required rate of return for the project is 10 percent?
4. Consider the probability distribution of alternative rates of return associated with Stock S and Stock T given in the following table

State of economy	Probability	Rate of Return	
		Stock S	Stock T
1	0.3	30%	-5%
2	0.4	20	25
3	0.3	10	55

- a. Calculate the expected return and standard deviation of Stock S and Stock T.
 - b. If you form a portfolio of Stock S and Stock T comprising 70 percent wealth in Stock S and the rest in Stock T, calculate the risk and return of your portfolio. Are you able to diversify the risk forming the portfolio?
 - c. Calculate risk minimizing weight of Stock S and Stock T. Compare risk and return of minimum variance portfolio with risk and return of the portfolio formed in part 'b'.
5. During the last few years, Karnali Hydro Power Company (KHPC) has been too constrained by the high cost of capital to make many capital investments. Recently, though, capital costs have been declining, and the company has decided to look seriously at a major expansion program that has been proposed by the capital investment department. Assume that you are an assistant to Rajesh Manandhar, the chief finance officer (CFO). Your first task is to estimate KHPC's cost of capital. Mr Manandhar has provided you with the following data, which he believes may be relevant to your task:
 - The firm's tax rate is 30 percent.
 - The current price of NHPC's bond with 10 percent coupon, annual payment, 10 years remaining to maturity is Rs 900. New bonds would be privately placed with no flotation cost.

- The current price of the firm's 12 percent, Rs 100 par value, perpetual preferred stock is Rs 90. The company would incur flotation costs equal to 2 percent of the proceeds on a new issue.
- Company's common stock is currently selling at Rs 400 per share. Its expected dividend per share is Rs 40, and dividends are expected to grow at a constant rate of 6 percent in the foreseeable future. Flotation cost for new common stock will be 5 percent of issue price.
- Company's target capital structure is 30 percent long-term debt, 10 percent preferred stock, and 60 percent common equity.

To help you structure the task, Mr Manandhar has asked you to answer the following questions.

- What is the component cost of debt, cost of preferred stock, cost of internal equity and cost of external equity for WACC purposes?
- What is the company's weighted average cost of capital (WACC)? Assume that the company's internal equity is sufficient for equity portion.
- What is the company's weighted average cost of capital (WACC)? Assume that the company's equity portion is financed by new common stock only.
- Why does a firm need to calculate cost of capital?

Group "C"

Concept Based Answer Questions

Answer any SIX questions:

[6 × 5 = 30]

- Describe the role of financial manager.
- How do you measure business risk and financial risk? Explain.
- Explain the importance of working capital management.
- How does stock dividend affect equity account and market price of stock of a firm? Explain.
- Delta Export Limited issued a 10-year, 10% annual coupon bond 4- years ago. Market interest rate since the bond issued had been increased significantly. Today, the market interest rate on similar risk class bond is 12%. What is the bond's current price? How does market interest rate affect the value of a bond?
- Himalaya Herbal Company's common stock just paid a dividend of Rs 60 a share. The dividend is expected to grow at constant rate 6 per year for ever. Investors' required rate of return is 15 percent. Also calculate dividend yield and capital gain yield for the first year.
- Delta Company has a target capital structure, which consists of 40 percent debt and 60 percent equity. The company anticipates that its capital budget for the upcoming year will be Rs 4,000,000. If the company reports net income of Rs 3,000,000 and follows a residual dividend payout policy, what will be the amount of dividend? What will be its dividend payout ratio?
- Dabur Nepal has an inventory conversion period of 50 days, an average collection period of 40 days, and a payables deferral period of 30 days. Dabur Nepal's annual sales are Rs 4,380,000. Assume that cost of goods sold is 80% of sales.
 - What is the length of the firm's cash conversion cycle?
 - How many times per year does Dabur turn over its inventory?