BIO201

NVA EDUCATION

Question 1: What are efficient portfolios?

Question 2: What is correlation of coefficient?

Question 3: Why the require rate of return is different from the preferred stock and common stockBriefly explain.

Question 4: You are a financial analyst for the Hittle Company. The director of capital budgeting has asked you to analyze two proposed capital investments Project X and Project Y. Each project has a cost of Rs. 10,000 and the cost of capital for both projects is 12%. The projects' expected cash flows are as follows:

Year Expected net cash flows	Project X	Project Y
0	(10,000)	(10,000)
1	6,500	3,500
2	3,000	3,500
3	3,000	3,500
4	1,000	3,500

1. i. Calculate each project's payback, net present value (NPV), internal rate of return (IRR), and profitability index (PI).
2. ii. Which project or projects should be accepted if they are independent?
3. iii. Which project should be accepted if they are mutually exclusive?

Answer:
PROJECT X: Cost of project = Rs. 10,000
Payback period is the time required by the project to recover its costs.
Year 1 the project will recover Rs. 6,500
Year 2 the project will recover Rs 3000
Year 3 project will recover the remaining Rs. 500 in 1st month of 3rd yr. So payback period for Project X is 2 yrs and 1 month.
PROJECT Y: Cost of project= Rs 10,000
Year 1 project will recover Rs 3,500

Question 5: Distinguish between management and leadership. Do you think a person could be an effective manager but an ineffective leader?

Question 6: What is a business plan. Discuss the purpose and significance of a business plan.

Question 7: What is Maslow's hierarchy of needs model? What are management implications of Maslow's Hierarchy need theory?

Question 8: A marketer plays an important role in increasing the sales of an organization. What guiding principles did he follow to become a successful marketer and which skills he needed?

Answer:

He should satisfy the customers' need with quality product, competitive price and satisfaction on the company's brand.

He should meet the market demand by supplying sufficient quantity of his products as, when and where demanded.