ENG101

Question 1: What is underwriting contract? Discuss in detail.

Question 2: Why books of accounts accounts with examples. are required to be kept by companies? Discuss the types of books of

Question 3: According to Du Pont Identity What are the three things by which ROE is affected.

Question 4: "An investment is acceptable if the IRR exceeds the required return. It should be rejected otherwise." Explain.

Answer:
oNow for our example, NPV for the investment at discount rate R is:
NPV = -$100 + 110/(1 + R)

Question 5: Cash inflows of two projects A and B are given below. Assume that all cash flows are received at the end of the period.

Period Project A   Project B
1   Rs. 10,000 Rs. 5,000
2   Rs. 15,000 Rs. 12,000
3   Rs. 20,000 Rs. 25,000
4   Rs. 35,000 Rs. 30,000
5   Rs. 40,000 Rs. 35,000

Required:

1. (i) Calculate the Present Value of cash flow stream of project A if there is a discount rate of 12%.
2. (ii) Compute the Future Value of cash flow stream of project B at the end of year 5 with a compound annual interest rate of 10%.

Question 6: Why financial statements are standardized and how it done

Question 7: Why the present value of an ordinary annuity is less than that of an annuity due

Question 8: Write down the components of total return in terms of dividend growth model.

Answer:

$R = D1 /P0 + g$

This tells us that the total return, R, has two components D1/P0 is called the Dividend Yield. Because this is calculated as the expected cash dividend by the current price, it is conceptually similar to the current yield on a bond Growth rate, g, is also the rate at which the stock price grows. So it can be interpreted as capital gains yield

Question 9: Describe with example Refrential integrity constraints

Question 10: Differentiate between relation and table.

Answer:
The most commonly used DBMS is the Relational Database Management System (RDBMS). This system use table structure that saves and controls the data. A table is a predefined category of data that consist of rows and columns. The columns save the qualities that describe the group of data. Every row contains full record of a particular data. Every table has a Primary key which denotes or uniquely