**FINANCIAL MANAGEMENT**

**BBA-2nd YEAR**

**ASSIGNMENT**

Q1. Differentiate between Annual Rate of Return and Payback Period.

Q2. What do you mean by Cost of capital? Also discuss its classification.

Q3. Compute the NPV of the below project:

|  |  |
| --- | --- |
| Cost of Investment | Rs. 50,000 |
| Cash flow per year | Rs. 20,000 |
| No. of years | 5 Years |
| Rate of return | 10 % |

**Hint: Value of PVIFA(10%,5)= 3.788**

Q4. Define the terms:

1. Risk
2. Uncertainty