

Department of Humanities and Social Sciences  
Paper: Financial Education (HSIC-103)  
Mid Semester-I (February 21, 2024)

Time: 50 Minutes

Max. Marks: 20

Note: All questions are compulsory. All questions carry equal marks.

Q.1. Define Financial Management and Explain the Importance of Financial Management?

(10 Marks)

Q.2. The project, with a lifespan of 6 years, requires an initial investment of 4,00,000. It anticipates a stream of income before depreciation and taxes as follows: 1,00,000, 1,20,000, 1,60,000, 1,70,000, 1,80,000, and 2,00,000 over its lifespan. Depreciation is applied on a straight-line basis, and the firm is subject to a tax rate of 40 percent. Calculate the Average Rate of Return (ARR). 45000 22.5% (10 Marks)