



ELIZADE UNIVERSITY, ILARA-MOKIN, ONDO STATE

FACULTY: HUMANITIES, SOCIAL & MANAGEMENT SCIENCES
DEPARTMENT: ACCOUNTING & FINANCE
FIRST SEMESTER EXAMINATIONS 2020/2021 ACADEMIC SESSION

COURSE CODE: BFN 101

COURSE TITLE: INTRODUCTION TO FINANCE 1

DURATION: 2 Hours Only

INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS QUESTION ONE

1. -----is the accumulation of principal and interest over a defined period of time at a given rate (2 marks)
 2. Interest computed on the basis of 360 days in one calendar year is known as----- (2 marks)
 3. The computed simple interest on N8000 for 90 days at 8% per annum is----- (2marks)
 4. ----- is a series of equal periodic payments made at a regular interval of time (2marks)
 5. ----- may be regarded as the act of providing means of payment for goods, buying Business property, buying business vehicle, payment for wages, etc (2marks)
 6. Financing decision, investment decision and dividend decision are the three critical functions of a finance manager in a company. True or False? (2marks)
 7. ----- is the difference between total cost and total revenue in a business (2marks)
 8. --. is concerned with increase in the market value of shares of a company for a period (2 marks)
 9. -----a percentage of the profit paid out to the owners (shareholders) of a business as a part of return on their investment in a company (2marks)
 10. The future value of N50, 000 put into fixed deposit at 10% in 2 years from now is--- (2marks)
- (Total: 20marks)

QUESTION TWO

- A. A shareholder/ an investor purchased 1000 shares in Elizade PLC on 1st January 2017 at a market price of N2.50 per share. On 31st December 2017, the shares were selling at a market value of N2.82 per share. The dividend paid during the period was N0.27k per share. You are required to determine the shareholders wealth maximized. (10 marks)
- B. Find the compound amount and compound interest on N25000 for 3 years at 12% per annum (i) Annually (ii) quarterly (iii) Semi-annually (10 marks)

(Total: 20marks)

QUESTION THREE

- A. Briefly explain three (3) functions of a finance manager (5marks)
 - (A) Briefly explain the following objectives of a business organization
 - i. Profit maximization objective (5 marks)
 - ii. Survival objective (5 marks)
 - iii. Growth objective (5 marks)
- Total: 20 marks

QUESTION FOUR

- A. Find the present value of ₦1100 in 1 year from now at interest rate of 10% (6 marks)
- B. MR. DANIEL wishes to borrow money from his bank to invest in his business and hopes to confidently pay back ₦500 for two years. If interest rate is 6% compounding monthly, how much can he borrow now? (6 marks).
- C. List 4 differences between finance and financial management (8 marks)

QUESTION FIVE

- A. Write short on three fields of study finance is related with (5marks)
- B. List 5 objectives of financial management (5marks)
- C. Briefly explain the difference between ordinary interest rate exact interest rate (5 marks)
- D. What is finance? (5 marks)