



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

MASTER OF BUSINESS ADMINISTRATION

MANAGERIAL FINANCE

MBA 203

PART 2 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: APRIL 2024

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

Formulae

$$FV = PV(1 + r)^n$$

$$PV = \frac{FV}{(1 + r)^n}$$

Ordinary annuity

$$FV = A \times \frac{[(1 + r)^n - 1]}{r}$$

$$PV = A \times \frac{[1 - (1 + r)^{-n}]}{r}$$

Annuity Due

$$FV = A \times \left[\frac{(1 + r)^n - 1}{r} \right] \times (1 + r)$$

$$PV \text{ annuity due} = A \times \left[\frac{1 - (1 + r)^{-n}}{r} \right] \times (1 + r)$$

Amortization

$$A = P \times \frac{r(1 + r)^n}{(1 + r)^n - 1}$$