

- FIN722 Final term 2013 paper for MSBA students
- Thanks To Mamoon Ikram
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- 1. pl price index find krny thy. 3
- Eop find krna ha. sab values given thy qstn ma. (one and only simple qstn)
3
- 2 situation dy thy aik vertical merger ky or aik consolidated merger sa in
ky logical reasoning dany thy ka hum agree krty han ya ni ya vertical ha
to keo ha or horizontal ha to keo ha.
- Aik country ky situation dy thy or btana tha ka default risk keo ha. 3
- A company is considering to take the loan of Rs.5 million on which it has
to pay semiannual interest at KIBOR plus 1.5%. Company intends to
enter into an option against rise in interest rates by buying a CAP at a
strike rate of 8%. 5

There will be two expiry dates within the agreement:

Expiry	Six month KIBOR at expiry	Period
30 - June Year 1	9%	July - Dec. Year 1
31 - Dec. Year 1	6%	Jan - June Year 2

Required:

1. At which expiry date option will be exercised and why?
2. Calculate cash payment if the option is exercised?
7. prepare the cash budget and also find the ending cash balance... 5
8. explain the difference and similarities between futures and forward

contract? 5

9.calculate the DOL of 2 companies and write the comparison?
5

10.why merger fail?steps btany thy merger kasy successful ho sakty han?
5

11.last qstn yad ni a rha