

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*

[www.vuaskari.com](http://www.vuaskari.com)

FINAL TERM EXAMINATION

Fall 2010

FIN622- Corporate Finance (Session - 3)

## Solved & Attempt By Hafiz Salman Majeed

Question No: 1 ( Marks: 1 ) - Please choose one

Which of the following statements is TRUE regarding Balance Sheet of a firm?

- ▶ It reports how much of the firm's earnings were retained in the business rather than paid out in dividends.
- ▶ It reports the impact of a firm's operating, investing, and financing activities on cash flows over an accounting period.
- ▶ **It shows the firm's financial position at a specific point in time.**
- ▶ It summarizes the firm's revenues and expenses over an accounting period

Question No: 2 ( Marks: 1 ) - Please choose one

Which of the following statements is CORRECT regarding the fundamental analysis?

- ▶ Fundamental analysts use only Economic indicators to evaluate a stock
- ▶ Fundamental analysts use only financial information to evaluate a company's stocks
- ▶ **Fundamental analysts use financial and non-financial information to evaluate a company's stocks**
- ▶ Fundamental analysts use only non-financial information to evaluate a company's stocks

Reference:

Page 24

Question No: 3 (Marks: 1) - Please choose one

If you want to earn 8 percent, approximately how much should you pay for a security which matures in one year at Rs. 1,000?

- ▶ Rs. 1,080
- ▶ Rs. 940
- ▶ Rs. 920
- ▶ **Rs. 926**

Reference:

**$PV = FV/(1+i)$**

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 4 (Marks: 1) - Please choose one**

Which of the following is determined by variance of an investment's returns?

- ▶ Volatility of the rates of return.
- ▶ Probability of a negative return.
- ▶ Historic return over long periods.
- ▶ Average value of the investment.

**Reference:**

[http://highered.mcgraw-hill.com/sites/0073382302/student\\_view0/chapter11/chapter\\_quiz.html](http://highered.mcgraw-hill.com/sites/0073382302/student_view0/chapter11/chapter_quiz.html)

**Question#8**



**Question No: 5 (Marks: 1) - Please choose one**

Which of the following statements applies to Security Market Line (SML)?

- ▶ Security Market Line (SML) shows the relationship between expected rate of return and required rate of return of a security.
- ▶ Security Market Line (SML) shows the relationship between Beta and market value of a security.
- ▶ Security Market Line (SML) shows the relationship between required rate of return and beta coefficient of a security.
- ▶ Security Market Line (SML) shows the relationship between Market value and face value of a security.

**Question No: 6 (Marks: 1) - Please choose one**

*Note: Solve these papers by yourself*  
*This VU Group is not responsible for any solved content*  
[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

ABC Company will pay a dividend of Rs.2.40 per share at the end of this year. Its dividend yield is 8%. At what price is the stock selling?

▶ 40

▶ 35

▶ 30

▶ 25

**Reference:**

$$\begin{aligned} \text{Price per share} &= \text{Annual dividends per share} / \text{dividend yield} \\ &= 2.40 / 0.08 \\ &= 30 \end{aligned}$$

**Question No: 7 (Marks: 1) - Please choose one**

Which of the following risks is independent of capital structure of a firm?

- ▶ Financial risk
- ▶ Systematic risk
- ▶ Business risk
- ▶ Total risk

**Question No: 8 (Marks: 1) - Please choose one**

Which of the following is tax deductible?

- ▶ Dividend on preferred shares
- ▶ Dividend on common stocks
- ▶ Coupon payments on bonds
- ▶ Capital gain on common stocks

**Question No: 9 (Marks: 1) - Please choose one**

You are considering buying common stock in Grow On, Inc. The firm yesterday paid a dividend of \$7.80. You have projected that dividends will grow at a rate of 9.0% per year indefinitely. If you want an annual return of 24.0%, what is the most you should pay for the stock now?

- ▶ \$52.00
- ▶ \$56.68
- ▶ \$32.50
- ▶ \$35.43

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Solution:-

$$P_0 = D_1(1+g) / (r - g)$$

$$P_0 = 7.8(1.09) / (0.24 - 0.09)$$

$$P_0 = 8.502/0.15$$

$$P_0 = 56.68$$

**Question No: 10 ( Marks: 1 ) - Please choose one**

An investor buys a bond that will pay the interest amount of Rs.60 annually, forever. If there is exactly one year remaining until the next interest payment and the investor's required annual return is 5 percent, the present value of this bond is closest to which one of the following?

- ▶ Rs.1,200.
- ▶ Rs.800.
- ▶ Rs.600.
- ▶ Rs.1,000.

Reference:

$$\text{Present value of perpetuity} = C/r$$

$$\text{Present value of perpetuity} = 60/0.05$$

$$\text{Present value of perpetuity} = 1200$$

**Question No: 11 ( Marks: 1 ) - Please choose one**

The gross profit margin is unchanged, but the net profit margin declined over same period. This could have happened due to which one of the following reasons?

- ▶ Cost of goods sold increased relative to sales
- ▶ Sales increased relative to expenses
- ▶ **The tax rate has been increased**
- ▶ Dividends were decreased

Reference:

<http://web.utk.edu/~jwachowi/mcquiz/mc6.html>

Question#4

**Question No: 12 ( Marks: 1 ) - Please choose one**

Which of the following types of bonds pays no annual interest to the holder, but is sold at discount below the par value?

- ▶ An original maturity bond
- ▶ A floating rate bond
- ▶ A fixed maturity date bond
- ▶ **A zero coupon bond**

**Question No: 13 ( Marks: 1 ) - Please choose one**

A public limited Company had sales of Rs.2 million this year. The marketing manager expects sales to grow at a 10 percent compound annual rate over the next 10 years. On

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Hafiz Salman Majeed**  
**Vu Askari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

this basis, which of the following is the closest amount of sales in 10 years?

- ▶ **Rs.5,187,485.**
- ▶ Rs.2,593,722.
- ▶ Rs.4,622,885.
- ▶ Rs.5,081,309

Reference:

$$Fv = PV(1+i)^n$$

Question No: 14 (Marks: 1) - Please choose one

If the intrinsic value of a stock is greater than its market value, then which of the following is a reasonable conclusion?

The stock has a low level of risk.

The stock offers a high dividend payout ratio.

**The market is undervaluing the stock.**

The market is overvaluing the stock.

Reference:

<http://web.utk.edu/~jwachowi/mcquiz/mc4.html>

Question#2

Question No: 15 (Marks: 1) - Please choose one

In which of the following conditions a stock is said to be undervalued?

**If the stock has market value less than the expected value**

If the stock has market value more than the expected value

If the stock has market value equal to the expected value

If the stock has market value more than intrinsic value

Question No: 16 (Marks: 1) - Please choose one

Which of the following change will occur if a bond's yield-to-maturity increases, keeping other factors constant?

Its price will rise

Its price will remain unchanged

**Its price will fall.**

Can not be determined

Question No: 17 (Marks: 1) - Please choose one

Which of the following is a re-structuring strategy in which employees buy a majority share in their own firm?

▶ Employee Dividend Scheme

▶ **Employee Buyout**

▶ Employee Empowerment

▶ Leverage Buyout

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

**www.vuaskari.com**

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 18 (Marks: 1) - Please choose one**

A company may create a hedge through interest rate futures if it intends to make some investment for a short-term at some future date, because of:

- ▶ **Fall in short-term interest rates**
- ▶ Fall in short-term deposit rates
- ▶ Increase in short-term interest rates
- ▶ Increase in short-term deposit rates

**Question No: 19 (Marks: 1) - Please choose one**

Which of the following theories states that exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries?

- ▶ M&M theory
- ▶ **Purchasing Power Parity theory**
- ▶ Fisher effect theory
- ▶ Interest rate risk theory

**Question No: 20 (Marks: 1) - Please choose one**

Keeping all other things constant, an increase in storage cost will result \_\_\_\_\_ in the EOQ (Economic Order Quantity).

- ▶ **A decrease**
- ▶ No change
- ▶ An increase
- ▶ Cannot be told without additional information

**Question No: 21 (Marks: 1) - Please choose one**

Which of the following is generally the objective of the firms behind offering discount to customers?

- ▶ **To improve the cash flow [page 106]**
- ▶ To increase the bad debts
- ▶ To improve return on equity
- ▶ To improve the PE ratio

**Question No: 22 (Marks: 1) - Please choose one**

In deciding the optimal level of current assets for the firm, management is confronted with \_\_\_\_\_.

- ▶ **A trade-off between profitability and risk**
- ▶ A trade-off between liquidity and risk
- ▶ A trade-off between equity and debt
- ▶ A trade-off between short-term versus long-term borrowing

[http://wps.pearsoned.co.uk/ema\\_uk\\_he\\_wachowicz\\_fundfinman\\_12/26/6679/1709921.cw/content/index.html](http://wps.pearsoned.co.uk/ema_uk_he_wachowicz_fundfinman_12/26/6679/1709921.cw/content/index.html)

**Question No: 23 (Marks: 1) - Please choose one**

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

When the firm considers working capital management, the trade-off between risk and return is affected by all of the following **EXCEPT**:

- ▶ The pattern of cash borrowing needs of the firm
- ▶ The difference between long-term and short-term interest rates
- ▶ **The ratio of cash to marketable securities**
- ▶ The debt maturity schedule

**Question No: 24 (Marks: 1) - Please choose one**

A firm has 30 days collection period and it is offering terms of 2/10, net 30. The estimations shows that around 70% customers will avail this opportunity by paying within 10 days whereas remaining will pay after 30 days. What would be the Average Collection Period (ACP) of the firm?

- ▶ 10 days
- ▶ 12 days
- ▶ **16 days**
- ▶ 18 days

$$70\% \times 10 \text{ days} + 30\% \times 30 \text{ days} \\ = 7 + 9 = 16 \text{ days}$$

**Question No: 25 (Marks: 1) - Please choose one**

Which of the following statement is **CORRECT** regarding Conglomerate mergers?

- ▶ A firm acquires another firm that is in the same industry but at another stage in the production cycle.
- ▶ It occurs when one firm purchases other firms that produce similar or competing products.

▶ **It occurs when unrelated businesses merge.**

- ▶ None of the given options

A merger between firms that are involved in totally unrelated business activities. There are two types of conglomerate mergers: pure and mixed. Pure conglomerate mergers involve firms with nothing in common, while mixed conglomerate mergers involve firms that are looking for product extensions or market extensions

**Question No: 26 (Marks: 1) - Please choose one**

Which of the following is(are) reason(s) for determining shares value in mergers and acquisitions?

- ▶ To set up the terms of takeovers
- ▶ To value the company for stock exchange listing
- ▶ To value shares – for establishing value of share of retiring directors
- ▶ **All of the given options [page 114]**

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 27 (Marks: 1) - Please choose one**

An option is termed as "out of money" if:

- ▶ **The exercise price of an option is not favorable than the market price of the underlying item**
- ▶ The exercise price mentioned in the option is favorable than the market price of the underlying commodity
- ▶ The exercise price mentioned in the option is equal to the market price of the underlying commodity
- ▶ The exercise price mentioned in the option is above the option cost

**Question No: 28 (Marks: 1) - Please choose one**

Which of the following is the CORRECT statement regarding the Law of One Price?

- ▶ **The law of one price applies to only tradable goods**
- ▶ The law of one price applies to all goods
- ▶ The law of one price applies to immovable goods
- ▶ The law of one price applies to services only

**The law of one price only applies to tradable goods; immobile goods such as houses, and many services that are local, are of course not traded between countries**

**Question No: 29 (Marks: 1) - Please choose one**

What will be the taxable income of an Un-levered firm, if it has Earning Before Interest and Tax (EBIT) equal to Rs.50,000, and its tax rate is 35%?

- ▶ Rs.25,000
- ▶ Rs.45,000
- ▶ **Rs.50,000**
- ▶ Rs.60,000

**Earnings Before Taxes (EBT) = Taxable Income = Accounting Income (Economic Income)**

<http://www.turkelektrik.com/yon-Mali-Unlevered.htm>

**Question No: 30 (Marks: 1) - Please choose one**

In which of the following acquisition strategies, a purchaser has complete knowledge of the acquiring firm?

- ▶ Management Buy-In

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

▶ **Management buyout**

- ▶ Consolidation
- ▶ Amalgamation

Reference: PAGE # 123

Management Buyouts

Management buyouts are similar in all major legal aspects to any other acquisition of a company. The particular nature of the MBO lies in the position of the buyers as managers of the company and the practical consequences that follow from that. In particular, the due diligence process is likely to be limited as the buyers already have full knowledge of the company available to them. The seller is also unlikely to give any but the most basic warranties to the management, on the basis that the management knows more about the company than the sellers do and the Reference ore the sellers should not have to warrant the state of the company. In many cases, the company will already be a private company, but if it is public then the management will take it private.

**Question No: 31 ( Marks: 1 ) - Please choose one**

Which one of the following techniques can reduce the risks and disadvantages of share purchase method in mergers and acquisitions?

- ▶ Spin-off
- ▶ **Hive-down [page 114]**
- ▶ Hubris
- ▶ Off-shoot

There is a technique called hivedown which can reduce the risks and disadvantages of share purchase method. This is applied when only part of the business is being taken over by the purchaser. The part is transferred to a new entity of the vendor without raising any tax adverse consequences

**Question No: 32 ( Marks: 1 ) - Please choose one**

Which of the following is NOT an objective of Just-In-Time (JIT)?

- ▶ To increase the productivity
- ▶ **To increase the inventories [page 100]**
- ▶ To increase the quality

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

- ▶ To increase the flexibility

**Question No: 33 ( Marks: 1 ) - Please choose one**

Which of the following is an anti takeover strategy in which the target company make significant efforts to resist a takeover bid e.g. by a major acquisition, issue new shares?

- ▶ Shark repellent
- ▶ Pac-man
- ▶ Poison pill
- ▶ Political pressure

**Shark repellent**

A strategy used by corporations to ward off unwanted takeovers. Examples of this antitakeover measure include making a major acquisition, issuing new shares of stock or securities convertible into stock, and staggering the election of directors. Shark repellents often benefit corporate officers more than the stockholders

**Question No: 34 ( Marks: 1 ) - Please choose one**

An investor buys 5 options on shares at a price of Rs 50 per share. Each option consists of 100 shares and premium paid is Rs. 2 per share. What would be the net gain for investor if the share price is Rs. 55 at the expiry of option?

- ▶ Rs. 1,500
- ▶ Rs. 2,500
- ▶ Rs. 1,000
- ▶ Rs. 25,000

total share is  $5 * 100 = 500$

total cost of option is  $500 * 52 = 26,000$

Total Sale Value =  $500 * 55 = 27500$

Net Gain =  $27500 - 26000 = 1500$

*Note: Solve these papers by yourself*  
*This VU Group is not responsible for any solved content*  
[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Question No: 35 ( Marks: 1 ) - Please choose one

Profitability and liquidity move in \_\_\_\_\_ direction whereas risk and profitability and risk move in \_\_\_\_\_ direction.

- ▶ Same; inverse
- ▶ **Inverse; same [page 89]**
- ▶ Inverse; opposite
- ▶ Same; opposite

**Question No: 36 ( Marks: 1 ) - Please choose one**

With respect to a Cash flow statement, Decrease in current assets would be considered as a:

- Cash outflow
- **Cash inflow**
- Sometimes considered as cash outflow and sometime as cash inflow
- Can not be determined

**Question No: 37 ( Marks: 1 ) - Please choose one**

Employees buyout occurs through which of the following?

- **Employee stock ownership plan [page 124]**
- Employees dividend scheme
- Employee empowerment scheme
- Employee long-term benefit scheme

**Question No: 38 ( Marks: 1 ) - Please choose one**

Which of the following is an example of a management Buy In?

- Management of a Firm-A purchases majority shares from the shareholders
- **Management of a Firm-A acquires majority shares in another Firm-B [page125]**
- Management sale out some assets of the firm
- Management buy some new plants and machinery

**Question No: 39 ( Marks: 1 ) - Please choose one**

All of the following are the methods to evaluate the credit worthiness in business EXCEPT:

- Market reputation
- Previous payment record
- **Production plant capacity [page 104]**
- Financial strength

Question No: 40 ( Marks: 1 ) - Please choose one

---

**Note: Solve these papers by yourself**  
**This VU Group is not responsible for any solved content**  
**www.vuaskari.com**

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Mr. Saleem buys inventory on credit on Jan. 01, 2009 worth Rs.10,000 settle the creditor on Mar. 01, 2009. After a month (on Apr. 01, 2009), a debtor buys finished goods Rs.14,000 and pays for that on May 15, 2009. What is the operating cycle in the given scenario?

- ▶ 60 days
- ▶ 90 days
- ▶ 120 days
- ▶ **135 days**

**Operating Cycle = age of inventory + collection period.**

**Question No: 41 ( Marks: 1 ) - Please choose one**

“The managers of ABC Company are going to buy majority shares of the XYZ Company.” This practice demonstrates which of the following acquisition types?

- ▶ Management Buyout
- ▶ **Management Buy-In**
- ▶ Leverage Buyout
- ▶ None of the given options

Management Buy in (MBI) occurs when a manager or a management team from outside the company raises the necessary finance buys it and becomes the company's new management

**Question No: 42 ( Marks: 1 ) - Please choose one**

Which of the following statements applies to employees' buyout?

- ▶ Employees are promoted to the higher positions
- ▶ Employees are given more responsibilities
- ▶ **Employees buy majority shares in the firm**
- ▶ Employees buy shares of a competing firm

A restructuring strategy in which employees buy a majority stake in their own firms. This form of buyout is often done by firms looking for an alternative to a leveraged buyout

**Question No: 43 ( Marks: 1 ) - Please choose one**

The amount of current assets required to meet a firm's long-term minimum needs is referred to as \_\_\_\_\_ working capital.

- ▶ **Permanent**
- ▶ Temporary
- ▶ Net
- ▶ Gross

Permanent working capital is the minimum investment in current assets that is required support long-term minimum need.

**Question No: 44 ( Marks: 1 ) - Please choose one**

Which of the following best represents the optimal economic order quantity (EOQ), where total usage of the inventory item is 100,000 units for the planning period, the cost

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

per order is Rs.180 and the carrying costs per unit for each period is Rs.1?

- ▶ **6,000 units**
- ▶ 4,243 units
- ▶ 556 units
- ▶ 4,000 units

$SQR = \frac{2 \times RU \times OC}{CC}$

$SQR = \frac{2 \times 100,000 \times 180}{1} = 6000$

**Question No: 45 (Marks: 1) - Please choose one**

For financial statement purposes, the accounting value of fixed assets is based upon which of the following?

- ▶ Their estimated liquidation value
- ▶ Their relative importance to the company
- ▶ **Their actual purchase price**
- ▶ Their current market price

**Question No: 46 (Marks: 1) - Please choose one**

Which of the following is NOT a way to improve cash flow?

- ▶ Liquidating investments
- ▶ Deferring payments to creditors
- ▶ **Increasing the receipt float [page 94]**
- ▶ Accelerating cash inflows which were set for recovery at a later period

**Question No: 47 (Marks: 1) - Please choose one**

In finance, "working capital" means the same thing as

- total assets.
- fixed assets.
- Current assets.**
- Current assets minus current liabilities.

**Question No: 48 (Marks: 1) - Please choose one**

Which of the following statement is TRUE regarding a firm adopting a conservative financing policy?

Select correct option:

**Firm may have to pay interest on debt at times when the funds are not needed**

Firm would be more profitable than a firm adopting an aggressive financing policy.

*Note: Solve these papers by yourself*

*This VU Group is not responsible for any solved content*

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Hafiz Salman Majeed**  
**Vu Askari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

Firm would have to be a public utility.

Firm would have higher financial risk than if it adopted an aggressive financing policy.

**Question No: 49 ( Marks: 1 ) - Please choose one**

A merger results in a reduction of average production costs. In this case, which of the following is CORRECT?

Select correct option:

The merger must have been conglomerate

**Economies of scale exist**

The merger must have been vertical

The acquired firm had net operating losses

**Question No: 50 ( Marks: 1 ) - Please choose one**

Which of the following is the first step in the financial planning process ?

Select correct option:

**Identifying objectives and targets**

Evaluating different alternative

Choosing a course of action

Providing feedback

**Question No: 63 ( Marks: 3 )**

What is bond Future? How it is priced?

**Question No: 64 ( Marks: 3 )**

What is bond Future? How it is priced?

**Question No: 65 ( Marks: 3 )**

Which method is best for acquiring the assets of target company?

**Question No: 66 ( Marks: 5 )**

**Firm A** wants to acquire a private limited company operating in the same industry. What procedure would be followed by the **Firm A** to acquire the target company?

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

**Composed & Solved**  
**Hafiz Salman Majeed**  
**Vu Askari Team**  
[www.vuaskari.com](http://www.vuaskari.com)

**Question No: 67 ( Marks: 5 )**

A Company had the following data, extracted from its financial statements for the year ending June 30, 2008:

- a) Current Ratio = 2
- b) Acid Ratio = 1.5
- c) Current Liabilities = \$500,000
- d) Inventory Turnover = 5
- e) Gross Profit Margin = 20 percent

What were its sales for the year?

**SOLUTION:-**

Current ratio = current asset / current liabilities  
 $2 = \text{current asset} / 500,000$   
current asset = 1000,000

Acid Ratio = (current asset – inventory) / current liabilities  
 $1.5 = (1000,000 - \text{inventory}) / 500,000$   
Inventory = 250,000

Inventory Turnover = CGS / inventory  
 $5 = \text{CGS} / 250,000$   
CGS = 1250,000

Sales 100% **1562,500** (1250,000/0.8)  
CGS 80% 1250,000  
GP 20%

**Question No: 68 ( Marks: 5 )**

Difference between the different variables of credit policy?

Credit period  
Credit standard  
Collection period  
Discount

**Question No: 69 ( Marks: 5 )**

**Note: Solve these papers by yourself**

**This VU Group is not responsible for any solved content**

[www.vuaskari.com](http://www.vuaskari.com)

*Composed & Solved*  
*Hafiz Salman Majeed*  
*Vu Askari Team*  
[www.vuaskari.com](http://www.vuaskari.com)

Difference between the Forward Contract and Currency Future?

[www.vuaskari.com](http://www.vuaskari.com)

*Note: Solve these papers by yourself*  
*This VU Group is not responsible for any solved content*  
[www.vuaskari.com](http://www.vuaskari.com)