

INDIAN INSTITUTE OF MANAGEMENT AND COMMERCE
M.COM III SEMESTER
(INFORMATION TECHNOLOGY)

1. A motor car is purchased for Rs.100000 that has a life of 10 yrs and salvage value of Rs.50000. Calculate depreciation by straight line method. **(Use SLN function).**
2. A plant is bought for Rs.500000 that has a life of 15 yrs and whose salvage value is Rs.75000. Calculate depreciation by straight line method. **(Use SLN function).**
3. A motor car is purchased for Rs.100000 which has a life of 10yrs and salvage value of Rs.50000. Calculate depreciation for the 1st yr, 5th yr, and 10th yr by using **(SYD function).**
4. A plant is bought for Rs.500000 which has a life of 15yrs and whose salvage value is Rs.75000. Calculate depreciation for the 2nd yr, 4th yr, 6th yr, 8th yr and 12th yr by using **(SYD function).**
5. A motor car costs Rs.175000 and has a life of 10yrs and salvage value of Rs.30000. Using **VDB function** calculate depreciation for 1st day, 1st month, 1st year, period between 9th and 12th month, 6th and 18th month using factor of 1.5.
6. A building costs Rs.1000000 and has a life of 40yrs. The salvage value of the building is Rs.300000. Using **VDB function** calculate depreciation for 1st day, 1st month, 1st year, period Between 7th and 18th month, between 60th and 80th month using factor of 1.5.
7. B has a mortgage loan of Rs.250000 @ 12% p.a. interest rate repayable in 30yrs. calculate Interest paid in the 2nd yr, 5th yr, 10th yr and 25th yr. **(Use PMT function)**
8. A has taken education loan of Rs.350000 @ 16% repayable in 10yrs. calculate Interest paid in the 2nd yr, 3rd yr, 9thyr. **(Use PMT function)**
9. A motor car costs Rs.500000 and has a life of 5yrs. The salvage value is Rs.100000. Use **(DB function)** calculate depreciation over the life of the machine.
10. A plant and machinery is bought for Rs.5000000 and has a life of 15yrs. The salvage value is Rs.110000. Use **(DB function)** calculate depreciation over the life of the machine.
11. A motor car costs Rs.800000 and has a lifetime of 5yrs and the salvage value is Rs.100000. Use **(DDB function)** calculate depreciation over the life of the machine.
12. A plant and machinery is bought for Rs.1500000 and has a lifetime of 15yrs and the salvage value is Rs.115000. Use **(DDB function)** calculate depreciation over the life of the machine.
13. Amar plans to deposit Rs.1000, which earns 8% annual interest compounded monthly at the beginning of every month for the next 24 months. How much money will be in the account at the end of 24 months? **(Use FV function)**

14. C wants to deposit Rs.1000 which earns 12% annual interest compounded monthly, at the beginning of every month for the next 36 months. How much money will be in the account at the end of 36 months? (Use **FV function**)
15. J wants to start a hotel business and estimated that it will cost him Rs.500000 to start the business and expects to earn a net income of Rs.100000, Rs.115000, Rs.180000, Rs.200000 and Rs.250000 respectively in the first five years. Calculate **IRR**.
16. P wants to start a beauty parlor and estimated that it will cost her Rs.250000 to start the business and expects to earn a net income of Rs.50000, Rs.75000, Rs.100000, Rs.150000 and Rs.200000 respectively in the first five years. Calculate **IRR**.
17. Suresh bought an insurance annuity that pays Rs.1000@ the end of every month for the next 15 yrs. The cost of annuity is Rs.100000 and money paid out will earn 10%. Determine whether this would be a good investment using **PV function**.
18. Rajesh bought an insurance annuity that pays Rs.1500@ the end of every month for the next 25 yrs. The cost of annuity is Rs.200000 and money paid out will earn 12%. Determine whether this would be a good investment using **PV function**.
19. Kumar wants to start a provisional store with an investment of Rs.40000 in the 1st yr and expects to receive an annual income of Rs.8000, Rs.9200, Rs.10000, Rs.12000, and Rs.14500 in the five years. Assuming an annual discount rate of 10%, calculate the net present value (**NPV**) of his investment and advise whether it is good investment.
20. Kishore wants to start a cloth store with an investment of Rs.150000 in the 1st yr and expects to receive an annual income of Rs.12000, Rs.16000, Rs.18000, Rs.20000, and Rs.25000 in the five years. Assuming an annual discount rate of 12%, calculate the net present value (**NPV**) of his investment and advise whether it is good investment.