



# ELIZADE UNIVERSITY, ILARA-MOKIN, ONDO STATE

**FACULTY: SOCIAL & MANAGEMENT SCIENCES**

**DEPARTMENT: BUSINESS ADMINISTRATION.**

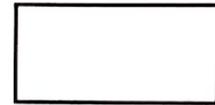
**FIRST SEMESTER EXAMINATIONS  
2018/2019 ACADEMIC SESSION**

**COURSE CODE: BUS 307**

**COURSE TITLE: BUSINESS FINANCE**

**DURATION: 2 HOURS.**

**INSTRUCTION: Attempt any three (3) Questions**



HOD's SIGNATURE

1. Civil Investment Company plans to buy a new laptops at #50,000 in 5 years from now. If the money can be invested at 17% compounded annually, how much should the company deposit at the end of each year so that they will have enough fund to purchase the laptops.
2. Ahlaji Bulekaja, a business tycoon borrowed #500,000 from Citadel Investment Ltd., and arrange to repay the loan in four equal instalments annually (including principal and interest). The first instalment being payable one year after the loan is received. Interest is to be charged at 5% per annum. You are required to prepare an amortization for the retirement of the loan.
- 3a. Suppose Mr. Adegun has deposited #6,000 into a saving plans at the beginning of each three consecutive years with each payment earning 16% compounded annually. Calculate the future value of annuity.
- b. Chief Frank has the option of receiving #200,000 now or #300,000 in four years' time, which option should be chosen if he can invest at the rate of 20% per annum?
4. If #100,000 is deposited into an interest paying account for 4 year. Calculate the future amount due for collections if
  - i. the amount is invested as 15% simple interest per annum.
  - ii. the amount is invested at 15% compound interest per annum.
- 5i. Find the future value of #100,000 invested for 5 years at an interest rate of 8% payable quarterly.
- ii. Find the future value of # 18,000 deposited now at an annual interest rate of 10% continuous compound for 10 years.