**School of Management and Social Sciences (Dept. of Business Administration)**

**Course Title: Business Finance**

**Instructor: Ms. Marium Saleem**

**Total marks= 30**

**Attempt ALL the questions. Solve the questions in MS word and then upload the document on SIC as an assignment.**

Q1. (a) You invested $50,000 and 10 years later the value of your investment has grown to $185,361. What is your compounded annual rate of return over this period? (5 marks)

Q1. (b) A payment of $1000 per year forever is made with a discount rate of 8 percent. What is the present value of these payments? (5 marks)

Q2. (a). Briefly explain the difference between money market and capital market with examples of securities traded in each market. (5 marks)

(b) Briefly explain pros and cons of over-the-counter market. (5 marks)

Q3. (a) Calculate the present valve of $50,000 to be received ten years from now at an annual discount rate of 10 percent. (5 marks)

(b) Briefly explain the difference between ordinary annuity and annuity due with examples. (5 marks)