

MS-42

Management Programme

**ASSIGNMENT
FIRST SEMESTER
(January to June)
2021**

MS – 42 Capital Investment and Financing Decisions



**School of Management Studies
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
MAIDAN GARHI, NEW DELHI – 110 068**

ASSIGNMENT

Course Code	:	MS-42
Course Title	:	Capital Investment and Financing Decisions
Assignment No.	:	MS-42/TMA /SEM-I/2021
Coverage	:	All Blocks

Note : Attempt all the questions and submit to the coordinator of your study centre on or before 30th April, 2021.

1. Explain the concept of Cost of Capital. How is the cost of capital for various individual components of capital computed and aggregated to compute the weighted cost of capital?
2. What do you understand by Economic Appraisal? List out the various factors taken into consideration while performing a Social Cost Benefit analysis of a project.
3. Explain the various techniques used for measurement of project risk.
4. What are the various instruments through which the firms procure finance? For each of these instruments discuss when and why they should be used to raise capital. Also explain non traditional sources of long term financing used by firms.
5. What is dividend? Explain the various dividend theories. Discuss the factors influencing dividend policy.