

**MMPF-002**

**MASTER OF BUSINESS ADMINISTRATION**

**ASSIGNMENT**

**For**

**July 2022 and January 2023 sessions**

**MMPF-002: Capital Investment and Financing Decisions**

**(Last, date of submission for July 2022 session is 31<sup>st</sup> October, 2022 and for January 2023 session is 30<sup>th</sup> April, 2023)**



**School of Management Studies**

**INDIRA GANDHI NATIONAL OPEN UNIVERSITY**

**MAIDAN GARHI, NEW DELHI – 110 068**

## ASSIGNMENT

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<b>Course Code</b>	:	<b>MMFP-002</b>
<b>Course Title</b>	:	<b>Capital Investment and Financing Decisions</b>
<b>Assignment Code</b>	:	<b>MMPF-002/TMA/JULY/2022</b>
<b>Coverage</b>	:	<b>All Blocks</b>

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Note: Attempt all the questions and submit to the coordinator of your study centre. **Last, date of submission for July 2022 session is 31<sup>st</sup> October, 2022 and for January 2023 session is 30<sup>th</sup> April, 2023.**

1. What do you understand by capital structure? Explain the various theories of capital structure and discuss the similarities and dissimilarities between Net Income Theory and Modiglian – Miller (MM) Theory.
2. How is cash flow for capital budgeting estimated? Describe and distinguish the Net Present Value (NPV) method and Internal Rate of Return (IRR) methods of Capital Budgeting.
3. What do you understand by Business and Financial risks? Explain the process of determining Asset Betas.
4. Explain the various non-traditional sources of long-term financing and bring out their relative advantages and disadvantages.
5. Who are the stakeholders of a company? The different types of stakeholders demand what types of information.