



SURNAME: Asenau

FORENAME(S): Agem

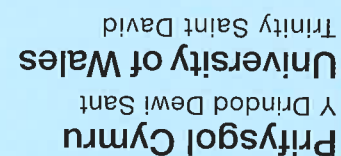
12 Pages

1. Please give the information requested in the boxes below.
2. Enter your name in the space provided to the right, fold over and seal down (using the label provided) to hide your name.
3. The answers must be legibly written. The Examiners can either ignore illegible script or have it typed and the expense of typing charged to the candidate.
4. Write your answers in ink.
5. Begin each answer on a fresh page. Do all rough work in the answer book and cross it through.
6. No part of this book is to be torn out; it must be handed in complete.
7. If more books than one are used, fasten them together using the tags available from the invigilator(s).
8. **Every book must be handed in. In no circumstances may answer books, used or unused, be taken out of the examination venue.**

[illegible]

Sec A	30
Sec B	25
Sec C	14
	~~69~~
	72

(Gweler yr ochr arall am y fersiwn Cymraeg)



Cyfarwyddiadau i Ymgeiswyr

12 Tudalen

ENW(AU) CYNTAF:

CYFENN:

Llenwch, plynwch a seliwch
(gweler nodyn 2 isod)

1. Rhowch yr holl wybodaeth y gofynnir amdani yn y blychau isod.
2. Rhwch eich enw yn y lle a ddarparwyd ar y dde, plygwch ef a'i selio i lawr (gan ddefnyddio'r label a ddarparwyd) i guddio'ch enw.
3. Rhaid i'r atebion fod mewn llawysgriften ddarllenadwy. Gall yr Arhogael ei theipio a chael yr ymgeisydd i dalu.

4. Ysgriftennwrch eich atebion mewn inc.
5. Dechreuwch bob ateb ar dudalen newydd. Gwnewch unrhyw fras nodiadau yn y llyfr atebion a thynnu llinell drwyddynt.
6. Ni ddylid rhwygo unrhyw ran o'r llyfr hwn; rhaid ei gyflwyno yn gyfan.
7. Os defnyddir mwy nag un llyfr, rhwymwch hwy gyda'i gilydd gan ddefnyddio'r tagiau sydd ar gael oddi wrth y gwyllwyr/gwylywyr.
8. Rhaid dychwelyd pob llyfr. Ni chaniateir mynd â llyfrau atebion, wedi eu defnyddio neu heb eu defnyddio, allan o'r lleoliad arholi o dan unrhyw amgylchiadau.

(See the other side for English version)

7	Nifer y Llyfrau Atebion a gyflwynwyd	
6	Rhif Sedd	
5	Lleoliad yr Arholiad	
4	Dyddiad ac Amser yr Archoliad	
3	Cod y Modwl	
2	Tell y Papur Arholiad	
1	Rhif Myfyrwr	

Rhestrwch ffâu'r cwestiynau a ymgeisiwyd gennyh	
At Ddibenlon y Swyddfa	

1 Section A

a) $\text{USD/EUR} = 1,033$ $1 / \underline{1,033} = 0,968$ ✓

$\text{EUR/USD} = ?$

b) $\text{CNY/GBP} = 8,038$ ~~$8,038$~~

$\text{CNY/JPY} = 0,483$ $0,483 / 8,038 =$

$\text{JPY/GBP} = ?$ $= \underline{0,06}$ ✓

c) $\text{USD/EUR} = 1,082$ old

$\text{USD/EUR} = 1,033$ new

$$(\text{NV} - \text{OV}) / \text{OV} \times 100$$

$$(1,082 - 1,033) / 1,033 \times 100$$

$$0,049 / 1,033 \times 100$$

$$0,047 \times 100 = \underline{4,74\%}$$

US Dollar appreciate against the euro
Euro depreciate against the US Dollar

d) ① Inflation rate is equivalent on currencies value
② Interest rate is in the same proportion while the currencies value

③ The country debt.

④ Import / Export Balans

⑤ Speculation

more information required

e) The Inflation rate is one of the five factors that affects Exchange rates. The Inflation rate is ~~an~~ equivalent on currencies value. ~~If the~~ If the Inflation rate goes up the value of the currency goes down. If the value of the currency goes up it means the ~~local~~ currency appreciates against the foreign currency.

Section B

Q1.

No. of shares = 20 m

7% Debt = £28 m → 414 m for 100%

Shares price = £5.50 per share

Debt price = £107.11 for £100 Bonds

$r_f = 4.7\%$

$r_{mp} = 6.5\%$

$r_{rm} = 6\%$

$k_e = 12.5\%$

$k_d = 6.02\%$

$T = 25\% \times 100 = 0.25$

$20 \text{ m} \times 5.50 = 110 \text{ m} = V_D$

$107.11 / 100 = 1.07 = V_E$ for one Bond

$1.07 \times 414 \text{ m} = 443 \text{ m} = V_E$

$$a) WACC = \left[\frac{V_E}{V_E + V_D} \right] K_E + \left[\frac{V_D}{V_E + V_D} \right] K_D (1 - T)$$

$$= \left[\frac{443 \text{ M}}{443 \text{ M} + 110 \text{ M}} \right] 12,5 + \left[\frac{110 \text{ M}}{443 \text{ M} + 110 \text{ M}} \right] 6,02 (1 - 25\%)$$

$$= \left[\frac{443 \text{ M}}{553 \text{ M}} \right] 12,5 + \left[\frac{110 \text{ M}}{553 \text{ M}} \right] 6,02 (1 - 25\%)$$

$$= 0,976 \times 12,5 + 0,242 \times 6,02 (1 - 25\%)$$

$$= 12,2 + 1,457 (1 - 25\%)$$

$$= 12,2 + 1,457 \times (1 - 0,25)$$

$$= 12,2 + 1,457 \times 0,75$$

$$= 12,2 + 1,09$$

$$= \underline{\underline{13,29}}$$

Calculation is correct!

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b) Debt is raising capital by loan from the capital from some one. Can be paid back in time while interest rate. Can be issued ~~by~~ market bonds for the value of the Debt.

~~The~~ Equity is raising capital by shares on the company ownership. Can be issued market shares for the price of that ~~of~~ the company.

The Debt (loan) is better method of raising capital ~~at~~ against the Equity method to raising money (capital).

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Section C

① ~~A~~ Valuation

② ~~B~~ Better off Worse off

✓ ③ ~~A~~ NPV calculations are needed to estimate the IRR using linear interpolation

④ ~~B~~ Commercial papers

✓ ⑤ ~~D~~ ~~Maximise~~ Maximise shareholders wealth

⑥ ~~C~~ Internal

✓ ⑦ ~~B~~ International Monetary Fund

✓ ⑧ ~~B~~ Cost of equity

✓ ⑨ ~~C~~ Options

✓ ⑩ ~~C~~ A and B

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7x2

Question No.		Examiner Only	
Arholwr yn unig		Rhif y Cwestiwn	