

INSTRUCTION:

This section consists of **FOUR (4)** questions. Answers **ALL** questions.

ARAHAN:

Bahagian ini mengandungi EMPAT (4) soalan. Jawap SEMUA soalan.

QUESTION 1**SOALAN 1**

- | | | | |
|------------|--------|--|-------------------------|
| CLO1
C1 | (a) i. | Define the value of firm in corporate finance.
<i>Definisikan nilai firma dalam kewangan korporat.</i> | [1 mark]
[1 markah] |
| CLO1
C1 | ii. | Describe book value of firm and market value of firm.
<i>Jelaskan nilai buku firma dan nilai pasaran firma.</i> | [4 marks]
[4 markah] |
| CLO1
C2 | (b) | Explain the concept of maximizing the firm value.
<i>Terangkan konsep memaksimumkan nilai firma.</i> | [5 marks]
[5 markah] |
| CLO1
C2 | (c) i. | Explain cost of capital concepts.
<i>Terangkan konsep kos modal.</i> | [6 marks]
[6 markah] |

CLO1
C2

- ii. The RM1000 face value of Megah bond has a coupon of 10% (paid semi-annually), matures in 4 years, and has the current price of RM1123. Detail the calculation of Megah bond's yield to maturity.

RM1000 nilai muka bon Megah mempunyai 10% kupon, matang dalam masa 4 tahun, dan nilai semasanya adalah RM1123. Perincikan pengiraan hasil sehingga matang bagi bon Megah.

[4 marks]

[4 markah]

CLO1
C2

- iii. Rata Sdn. Bhd. is planning to increase its volume of production. The company is considering to choose one of the following project:

Rata Sdn. Bhd merancang untuk meningkatkan jumlah pengeluaran. Syarikat sedang mempertimbangkan untuk memilih salah satu daripada projek berikut:

Project / Projek	Cost of Capital / Kos Modal	Expected Return / Jangkaan Pulangan
Project A / Projek A: Expanding its plant <i>Memperluaskan loji</i>	7% Issue Bond / <i>Mengisu bon</i>	9%
Project B / Projek B: Acquiring another company <i>Mengambilalih syarikat lain</i>	13% Issue stock / <i>Mengisu saham</i>	12%

Compare between the projects above to see which would be the **BEST** project for the company.

*Bandingkan dianata projek di atas untuk melihat yang manakah projek **TERBAIK** untuk syarikat.*

[5 marks]

[5
markah]

QUESTION 2**SOALAN 2**

- CLO1
C2
- (a) i. Explain **FIVE (5)** steps in capital budgeting process.
Terangkan LIMA (5) langkah dan process belanjawan modal.
- [10 marks]
[10 markah]
- CLO1
C2
- ii. Elaborate **TWO (2)** types of project to be considered in capital budgeting with example.
Huraikan DUA (2) jenis projek yang perlu dipertimbangkan dalam belanjawan modal beserta contoh.
- [5 marks]
[5 markah]

CLO1
C3

- (b) Albert Company is comparing two proposals – proposal S and proposal T which have a useful life of 4 years. Both the proposals require an equal initial investment of RM177,000. The information about cash inflow expected from proposal S and proposal T is given below:

Syarikat Albert sedang membandingkan dua cadangan – cadangan S dan cadangan T yang mempunyai hayat guna selama 4 tahun. Kedua-dua cadangan itu memerlukan pelaburan permulaan yang sama sebanyak RM177,000. Maklumat tentang aliran masuk tunai yang dianggarkan daripada cadangan R dan cadangan S seperti di bawah:

Year / Tahun	Proposal R / Cadangan R	Proposal S / Cadangan S
1	RM40,500	RM59,000
2	RM70,000	RM59,000
3	RM78,000	RM59,000
4	RM55,000	RM59,000

The management of Albert Company wants a 10% rate of return on capital investments.

Pengurusan Syarikat Albert mahukan kadar pulangan 10% ke atas pelaburan modal.

Examine which of the proposal would be the best decision for the company by executing the Net Present Value method.

Periksa cadangan mana yang akan menjadi keputusan terbaik untuk syarikat tersebut dengan melaksanakan kaedah Nilai Kini Bersih.

[10 marks]

[10 markah]

QUESTION 3**SOALAN 3**

- (a) Nayla Corporation Berhad plans to increase the debt level of the company's capital structure. Below is the capital structure information of the company:

Nayla Corporation Berhad merancang untuk meningkatkan tahap keberhutangan dalam struktur modal syarikat. Berikut adalah maklumat struktur modal syarikat:

Particular / <i>Perkara</i>	Capital Structure / <i>Struktur Modal (RM)</i>	
	Debt / <i>Hutang</i>	Equity / <i>Ekuiti</i>
Before restructuring / <i>Sebelum penyusunan semula</i>	500,000	2,000,000
After restructuring / <i>Selepas penyusunan semula</i>	1,000,000	1,500,000

CLO1
C2

- i. According to M&M Proposition I, discuss the effect of firms' capital restructuring towards firm value. Assume no changes in the firm's total net asset.

Berdasarkan M&M Proposisi I, bincangkan kesan penyusunan semula modal syarikat terhadap nilai syarikat. Andaikan tiada perubahan terhadap jumlah aset bersih syarikat.

[10 marks]

[10 markah]

CLO1
C2

- ii. According to M&M Proposition II, explain **TWO (2)** impact of debt increase towards firm's cost of capital.

*Berdasarkan M&M Proposisi II, jelaskan **DUA (2)** kesan peningkatan hutang terhadap kos modal syarikat.*

[5 marks]

[5 markah]

CLO1
C3

- (b) Based on the following information, calculate the cost of equity for all companies using formula in M&M Proposition II:

Berdasarkan maklumat berikut, kira kos ekuiti kesemua syarikat menggunakan formula M&M Proposisi II:

Particular / Perkara	WWW Berhad	YYY Berhad	ZZZ Berhad
Weighted average cost of capital / <i>Purata wajaran kos modal</i>	13%	12%	12%
Kos pinjaman / <i>Borrowing cost</i>	9%	8%	8%
Struktur modal / <i>Capital structure</i>	30% debt and 70% equity / <i>30% hutang dan 70% ekuiti</i>	30% debt and 70% equity / <i>30% hutang dan 70% ekuiti</i>	40% debt and 60% equity / <i>40% hutang dan 60% ekuiti</i>

[10 marks]

[10 markah]

QUESTION 4**SOALAN 4**

- (a) A short-term financial decision typically involves cash inflows and outflows that occurs within a year or less.

Pembiayaan jangka pendek lazimnya melibatkan aliran tunai masuk dan keluar dalam tempoh setahun atau kurang.

CLO1
C1

- i. Describe **TWO (2)** advantages of short-term financing.

*Gambarkan **DUA (2)** kelebihan pembiayaan jangka pendek.*

[5 marks]

[5 markah]

CLO1
C1

- ii. Identify **FIVE (5)** short-term financial instruments that can be used by a corporation.

*Kenalpasti **LIMA (5)** instrumen pembiayaan jangka pendek yang boleh digunakan oleh syarikat.*

[5 marks]

[5 markah]

CLO1
C2

- (b) Explain **FOUR (4)** disadvantages of mergers and acquisition.

*Terangkan **EMPAT (4)** kelemahan penggabungan dan pengambilalihan.*

[10 marks]

[10 markah]

CLO1
C3

(c) Examine the type of acquisition for the following cases:

Uji jenis pengambilalihan bagi kes-kes berikut:

- i. Social media company - Facebook and Instagram.
Syarikat media sosial - Facebook dan Instagram.
- ii. Computer manufacturer and software security company - Dell and AppAssure.
Pengilang komputer dan syarikat sekuriti perisian - Dell dan AppAssure.
- iii. Financial institution - SME Bank and Exim Bank.
Institusi kewangan - SME Bank and Exim Bank.
- iv. Dairy company and cattle farm - Farm Fresh and Tanjung Agro Farm.
Syarikat tenusu dan ladang lembu - Farm Fresh dan Tanjung Agro Farm.
- v. Property development company and bookstore - Gamuda Corporation and McGrawHill.
Syarikat pembangunan hartanah dan kedai buku - Gamuda Corporation dan McGrawHill.

[5 marks]

[5 markah]

SOALAN TAMAT