DATE
PAGE

Q.2→ What is preference share and equity share? explain its advantage and disadvantage.
What to do you understand by finance, ~~example~~ explain its various objective?
What is payback period and net present value method (NPV)?

Ans→ Preference share and equity share:- Equity shares are the main source of raising the funds for the firm equity share also called as ordinary shares.
Preferences share, as name hint preference shares are the shares in which shareholders get the profit of the company in forms dividends before equity share holders at a fixed dividend rate.

There are the following Advantages
1. No legal obligation for dividend payment
2. Improves borrowing capacity
3. No dilution in control
4. No charge on asset

There are following disadvantages
1. Costly source of finance
2. Skipping dividend disregard market image
3. Preference in claims

finance:- Finance may be defined as the position of money at the time it is wanted.

objective of finance
1. Revenue generation
2. Profit margin
3. Manging operational activities
4. Productivity and efficiency
5. Sustainbility

Payback period and NPV method:- NPV is calculated in terms of currency while payback method refers to the period of time required for the return on an investment to repay the total initial investment. Payback, NPV and many other measurement from a number of solutions to evaluate project values.

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