

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA - IEV

SEM: II - THEORY EXAMINATION (2023 - 2024)

Subject: Strategic Financial Management

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.
2. Maximum marks for each question are indicated on right -hand side of each question.
3. Illustrate your answers with neat sketches wherever necessary.
4. Assume suitable data if necessary.
5. Preferably, write the answers in sequential order.
6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION A

20

1. Attempt all parts:-

- 1-a. The overall objectives of strategic management is (CO1) 1
- (a) To create competitive advantage
 - (b) To guide the company successfully through all changes in the environment
 - (c) 1 &2 both
 - (d) None of the above
- 1-b. strategies are formulated at:(CO1) 1
- (a) corporate level
 - (b) Divisional level
 - (c) Functional level
 - (d) All of the above
- 1-c. Below are the source of longterm finance (CO2) 1
- (a) Public issue
 - (b) Right issue
 - (c) Private Placement and Euro issue
 - (d) All of the above
- 1-d. A---- entitles the purchaser to buy a fixed number of ordinary shares at a particular price, during a specified time period.(CO2) 1
- (a) Share
 - (b) Bond
 - (c) Warrants
 - (d) All of the above
- 1-e. Total risk includes systematic as well as unsystematic both where beta represents.(CO3) 1
- (a) Systematic
 - (b) Unsystematic

- (c) Both
(d) None
- 1-f. Risk Analysis under capital budgeting can be measured under various method.(CO3) 1
(a) Sensitivity Analysis
(b) Risk Adjusted Discounted rate
(c) certainty equivalent
(d) All of the above
- 1-g. rate of dividend can be calculated.(CO4) 1
(a) $(PAT/ \text{Total paid up equity capital}) * 100$
(b) $(PBT/ \text{Total paid up equity capital}) * 100$
(c) $(EBIT/ \text{Total paid up equity capital}) * 100$
(d) None of the above
- 1-h. EPS can be calculated.(CO4) 1
(a) $PAT/ \text{no of Equity shares}$
(b) $PBT/ \text{no of Equity shares}$
(c) $EBIT/ \text{no of Equity shares}$
(d) None of the above
- 1-i. means an acquirer takes over the control of the target company.(CO5) 1
(a) Takeover
(b) Disinvestment
(c) Merger
(d) Demerger
- 1-j. _____ may be defined as an arrangement where one party grants another party the right to use trade name.(CO5) 1
(a) Alliance
(b) slump sale
(c) Joint Venture
(d) Franchising

2. Attempt all parts:-

- 2.a. Define SMART goals.(CO1) 2
2.b. Define concept of commercial Paper(CO2) 2
2.c. Give four Examples of Systematic risk(CO3) 2
2.d. Describe the components of a DCF valuation model.(CO4) 2
2.e. Define the term Market Re- structuring(CO5) 2

SECTION B

30

3. Answer any five of the following:-

- 3-a. Explain the problems faced in financial planning.(CO1) 6
3-b. Differentiate the financial policy and financial Strategies.(CO1) 6
3-c. Write Difference between Put option and call option (CO2) 6
3-d. Describe Methods of FDI.(CO2) 6
3.e. Describe Risk in capital budgeting.(CO3) 6

- 3.f. Determine the debt-to-equity ratio and cash flow from operations of a company.(CO4) 6
- 3.g. Define Leverage buyout and management buyout.(CO5) 6

SECTION C

50

4. Answer any one of the following:-

- 4-a. Discuss the problems faced in financial planning and their solutions.(CO1) 10
- 4-b. Explain the characteristics of strategic planning and its importance.(CO1) 10

5. Answer any one of the following:-

- 5-a. Write note on Features of ADR & GDR also mention of example of ADRs and GDRs. (CO2) 10
- 5-b. Describe right issue . Also explain pros and cons of right Issue.(CO2) 10

6. Answer any one of the following:-

- 6-a. The price of a company's share is Rs. 80 and the value og growth opportunities is Rs. 20. if the company 's capitalisation rate is 15%. Compute earning price ration and EPS. (CO3) 10
- 6-b. Describe the advantages of using the certainty-equaivalent approach. Also mention its limitation.(CO3) 10

7. Answer any one of the following:-

- 7-a. Total Assests 18.50 Lakj
External liability 2.5 lakh
share capital
14% Preference share @ 10 each fully paid up 500000/-
40,000 equity shares @ 10 each fully paid up 400000
60000 equity share @ 10 each , 7.5 paid up 450000
calculate the value of each category of equity shares of the company.(CO4) 10

- 7-b. XYZ Corp. has a net asset value of \$50 million and a market value of \$75 million. Calculate its price-to-book ratio.(CO4) 10

8. Answer any one of the following:-

- 8-a. Intention behind merger and acquisition . Define TOP 5 merger amd Acquisition deals in 2017. (CO5) 10
- 8-b. STU Inc. has undergone a hostile takeover. Describe the consequences of this event.(CO5) 10