

**M.B.A. (GEN.) / M.B.A. (HR) / M.B.A. (IT) / SEMESTER - IV
(2012 COURSE)(CHOICE BASED CREDIT SYSTEM)/ M.B.A.
(FM) SEMESTER - IV (2013 (CHOICE BASED CREDIT
SYSTEM) : WINTER - 2017**

**SUBJECT : ELECTIVE – V : APPLIED CORPORATE FINANCE & MERGERS &
ACQUISITIONS (FM)**

Day : **Thursday**
Date : **30/11/2017**

W-2017-1803

Time : **02.00 PM TO 05.00 PM**
Max. Marks : 100

N.B.:

- 1) Attempt **ANY FOUR** questions from Section – I and **ANY TWO** questions from Section – II.
- 2) Answers to both the sections should be written in **SEPARATE** answer books.
- 3) Figures to the right indicate **FULL** marks.

SECTION – I

- Q.1** Explain any two Long Term Sources of Corporate Finance. [15]
- Q.2** Write a detailed note on any two techniques of Capital Budgeting. [15]
- Q.3** Explain the various types Liquidity Ratios and Profitability Ratios. [15]
- Q.4** What is ‘Leverage Analysis’? Discuss the various leverages. [15]
- Q.5** Write short notes on **ANY THREE** of the following: [15]
- a) Nature of Corporate Finance
 - b) Risk and Uncertainty
 - c) Significance of P/E Ratio
 - d) Tax aspects of Mergers and Acquisitions

SECTION – II

- Q.6** The following are the summarized Balance sheet of Phoolish Ltd., as on 31st December, 2015 and 2016 [20]

Balance Sheet

Liabilities	2015	2016	Assets	2015	2016
Share Capital	9,00,000	9,00,000	Fixed Assets	8,00,000	6,40,000
General Reserve	6,00,000	6,20,000	Investments	1,00,000	1,20,000
P & L A/c	1,12,000	1,36,000	Stock	4,80,000	4,20,000
Creditors	3,36,000	2,68,000	Debtors	4,20,000	9,10,000
Provision for Tax	1,50,000	20,000	Bank	2,98,000	3,94,000
Mortgage Loan	--	5,40,000			
Total	20,98,000	24,84,000		20,98,000	24,84,000

P.T.O.

Additional Information:

- a) Investment costing ₹ 16,000/- were sold during the year for ₹ 17,000/-.
 - b) Provision for Tax made during the year was ₹ 18,000/-.
 - c) During the year part of Fixed Assets costing ₹ 20,000/- were sold for ₹ 24,000/- . The profit was included in the Profit and Loss A/c.
 - d) Dividend paid during the year amounted to ₹ 80,000.
- You are required to prepare funds flow statement and schedule of changes in Working Capital.

- Q.7** A Ltd., company is being acquired by B Ltd., company on a share exchange bases. Share holders of A Ltd., will receive 0.7 shares of B Ltd., for each share held by them. Relevant data for companies is as follows: [20]

Particulars	A Ltd.	B Ltd.
Profit after tax (₹)	15,00,000	50,00,000
No. of shares	3,00,000	10,00,000
Earning per share (₹)	5	5
Price Earnings Ratio	4	6
Market value per share	20	30
Net sales (₹)	3 crore	2 crore

For the combined company (after merger). Calculate:

- a) EPS
- b) Market value per share
- c) P/E Ratio
- d) No. of outstanding shares
- e) Total market capitalization.

Also calculate premium paid by B Ltd. to Shareholders of A Ltd.

- Q.8** Write a detailed note on Purchase Method and Pooling of Interest Method of Accounting for Mergers and Acquisitions with example. [20]

* * * *