

CDOE
MASTER OF BUSINESS ADMINISTRATION (CBCS-2019 COURSE)
M.B.A. SEM - IV : WINTER :- 2021
SUBJECT: CORPORATE FINANCE

Day : Wednesday
Date 23-02-2022

W-22045-2021

Time : 02:00 PM-05:00 PM
Max. Marks: 60

N.B.:

- 1) Answer ANY THREE questions from Section I. Each question carries 10 Marks
- 2) Answer ANY TWO questions from Section II. Each question carries 15 Marks.
- 3) Answers to Both the sections to be written in SEPARATE answer books.
- 4) Draw a labeled diagram WHEREVER necessary.

SECTION - I

Q.1) Answer the following: (10 Marks X 1 = 10 Marks)

Write a detailed note on any two sources of long term Finance.

Q.2) Answer the following: (10 Marks X 1 = 10 Marks)

Discuss the various factors determining level of Inventory.

Q.3) Answer the following: (10 Marks X 1 = 10 Marks)

Write a detailed note on Corporate Restructuring with appropriate examples.

Q.4) Answer the following: (10 Marks X 1 = 10 Marks)

Explain various types of Mergers with suitable examples.

Q.5) Write short notes on the following: Attempt ANY TWO (5 Marks X 2 = 10 Marks)

- a) Tax Aspects of Mergers & Acquisition
- b) Short Range Financial Planning
- c) Inventory Control System
- d) Joint Venture

SECTION - II

Q.6) Answer the following: (15 Marks X 1 = 15 Marks)

What do you mean by Financial Planning? Elaborate the Steps involved in the preparation of Financial Plan.

Q.7) Answer the following: (15 Marks X 1 = 15 Marks)

What do you mean by Business Combinations? Discuss various motives behind the Business Combinations.

Q.8) Answer the following: Attempt ANY ONE (15 Marks X 1 = 15 Marks)

- a) Pee Ltd. is being acquired by Kay Ltd. on a share exchange basis. Their selected data are as follows:

Particulars	Kay Ltd.	Pee Ltd.
Profit After Tax (Rs. in lakhs)	56.0	21.0
Number of Shares (in lakhs)	10.0	8.4
Earnings per share (Rs.)	5.60	2.50
Price-earnings ratio	12.5	7.5

Calculate :

1. The market value per share (pre-merger) for both the companies.
 2. The Maximum exchange ratio that Kay Ltd. should offer without the dilution of :
 - i) The EPS and
 - ii) The market value per share
- b) Explain in detail the Pooling of Interest method and Purchase method of Accounting for Mergers and Acquisitions.
