

MASTER OF BUSINESS ADMINISTRATION (C.B.C.S.) (2016 COURSE)
M.B.A. Sem - IV : WINTER : 2021
SUBJECT: CORPORATE FINANCE

Day : Tuesday
Date : 25-01-2022

W-15463-2021

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)

Elaborate any two sources of short term Finance.

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

Write a detailed note on the Inventory Control System.

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

Explain the concept of Financial Restructuring and Portfolio Restructuring with appropriate examples.

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

“All Mergers and Acquisitions are not successful” comment with suitable examples.

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

- a) Strategic Alliance
- b) Causes of Over -Capitalization
- c) Joint Venture
- d) Mergers Negotiation

SECTION - II

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

Write detailed note on the Changing role of Corporate Finance in global economic environment.

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

Discuss the determinants of Size of Investment in Receivable with suitable examples.

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

- a) Small Company is being acquired by large company on a share exchange basis. Their selected data are as follows-

	Large Company	Small Company
Profit after tax (Rs in Lakh)	112	42
No Of shares (lakh)	20	16.8
EPS (Rs)	5.6	2.5
Price-Earnings (P/E) ratio	12.5	7.5

Calculate-

1. Pre- Merger market value per share for both the companies
2. Maximum exchange ratio Large company should offer without dilution of
 - (i) EPS
 - (ii) Market value per share

- b) Write detailed note on the Pooling of Interest method and Purchase method of Accounting for Mergers and Acquisitions.
