

MASTER OF BUSINESS ADMINISTRATION (C.B.C.S.) (2016 COURSE)
M.B.A. Sem - IV :SUMMER- 2022
SUBJECT : CORPORATE FINANCE

Day : Monday
Date : 13/06/2022

S-15463-2022

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 should be written in SAME answer book.
 - 4) Draw a labeled diagram WHEREVER necessary.
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SECTION - I

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

Explain the concept and scope of Corporate Finance.

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

Elaborate any two techniques of Inventory Control.

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)

Elaborate the Steps involved in the preparation of Financial Plan with appropriate examples.

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

- a) Long range Financial Planning
- b) Receivables Management
- c) Divestment
- d) Significance of Earnings per Share (EPS)

SECTION - II

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

What do you mean by Over-Capitalization? Explain Causes and remedial measures for Over-Capitalization.

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

Discuss various objectives and motives behind the Business Combinations with suitable examples.

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

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 Lakhs)	56	21
No. of shares (Lakhs)	10	8.4
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 to Small Company without dilution of:
 - (i) EPS
 - (ii) Market Value per share
