

MASTER OF BUSINESS ADMINISTRATION (CBCS - 2020 COURSE)
M.B.A Sem-IV :SUMMER- 2022
SUBJECT : CORPORATE FINANCE

Day : Friday
Date : 10/6/2022

S-22818-2022

Time : 02:00 PM-04:00 PM
Max. Marks : 50

N.B.

- 1) Attempt **ANY THREE** questions from Section – I.
- 2) Attempt **ANY TWO** questions from Section – II.
- 3) Figures to the **RIGHT** indicate **FULL** marks.
- 4) Answers to both the sections should be written in **SAME** answer book.

SECTION – I

- Q.1** Explain in detail the concept of over capitalization and under capitalization. (10)
Discuss the causes of both.
- Q.2** Discuss the characteristics of sound financial planning and elaborate on the factors (10)
affecting financial planning.
- Q.3** Explain inventory control management and write the various techniques of (10)
inventory control.
- Q.4** What do you mean by Demerger. Explain its characteristics. (10)
- Q.5** Write short notes on **ANY TWO** of the following: (10)
- a) Corporate governance
 - b) Receivable management
 - c) Effective cross border M & A

SECTION – II

- Q.6** Discuss the legal and Regulatory framework of Mergers and Acquisition (10)
according to Company Act 1956 and 2013.
- Q.7** Company Acqua is into shoe manufacturing. Company Beta is into shoe trading (10)
business. Both companies want to merge together based on share exchange ratio. It
is decided that merger share exchange ratio will be based on market price of both
companies. Details of companies are as follows :

Particulars	Acqua	Beta
Profit before Tax	20,00,000	10,00,000
Tax rate	30%	30%
No. of shares	10,000	5,000
Market price per share	500	100

Calculate :

- i) Share Exchange Ratio
- ii) New no. of shares
- iii) Post merger Market Capitalization.

- Q.8** Calculate Economic Order Quantity from following data and also its cost. (10)

Particulars	Details
Annual demand	5000 units
Purchase price	Rs. 100
Tax on purchase price	5%
Order size	100 units
Carrying cost per unit	Rs. 5
Ordering cost per order	Rs. 50