

Code: 12E01403

MBA (Finance) IV Semester Regular Examinations September/October 2014

STRATEGIC FINANCIAL MANAGEMENT

(For students admitted in 2012 only)

Time: 3 hours

Max Marks: 60

Answer any FIVE questions

All questions carry equal marks

- 1 'Strategic Financial Management has a multi-dimensional purview'. Discuss the statement and provide details on the scope of strategic financial management.
- 2 Describe the decision making process of strategic financial management.
- 3 Explain the role and responsibilities of a project manager.
- 4 What is cost of capital? Explain various components of cost of capital.
- 5 (a) What is risk? What are the different types of risk?
(b) Describe sensitivity analysis.
- 6 Describe various methods which are used for valuing the Goodwill.
- 7 Small company is being acquired by large company on a share exchange basis. Their selected data is as follows:

	Large	Small
PAT	50 Lakhs	21 Lakhs
No.of shares	10 Lakhs	8.4 Lakhs
EPS	5.6 Lakhs	2.5 Lakhs
P/E ratio	12.5	7.5

Determine:

- (a) Pre-merger & market value per share.
 - (b) The maximum exchange ratio should offer by a large company without dilution of:
(i) EPS. (ii) Market value per share.
- 8 (a) What are the major strategic considerations to be used while designing a lease?
(b) Discuss the accounting and tax implications of an operating lease.
