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Name:

Reg.No:

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2023

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19P MCM4 EF04 - ADVANCED STRATEGIC FINANCIAL MANAGEMENT

(Commerce)

(2019 Admission onwards)

Time : 3 Hours

Maximum : 30 Weightage

Part-A

Answer any **four** questions. Each question carries 2 weightage.

1. Define Strategic Financial Management?
2. What is dividend payout ratio?
3. What is synergy?
4. What is horizontal merger?
5. What is vertical Take over?
6. What is demerger?
7. What is LBO?

(4×2 = 8 Weightage)

Part-B

Answer any **four** questions. Each question carries 3 weightage.

8. Explain the need for shareholder value creation?

9.

Sales	180000
Cost of Goods sold	80000
Depreciation	85000

Income Tax @30%

Calculate NOPAT

10. What are the Uses of Financial Leverage?
11. What are Option Greeks and its use in Option trading?
12. How the present value of net cash outflows after tax under debt financing is calculated?
13. Explain the various methods used to value target company under merger.

14. The following details relate to an investment proposal of XYZ Ltd.

Investment outlay Rs. 100 lakhs

Lease Rentals are payable at Rs. 180 per Rs.10000

Term of lease 8 years

Cost of capital for the firm is 12%

Find the Present Value of Lease Rentals if

a. Lease Rentals are payable at the end of the year

b. Lease Rentals are payable at the beginning of the year

(4 × 3 = 12 Weightage)

Part-C

Answer any *two* questions. Each question carries 5 weightage.

15. Explain the difference between Net Income (NI) Approach and Net Operating Income (NOI) Approach.

16. Leasing is beneficial to both, the lessee as well as lessor. Explain.

17. X Ltd wants to acquire A Ltd by exchanging 1.6 shares for every share of A Ltd. X Ltd anticipates maintain the existing P/E ratio subsequent to the merger also .The relevant financial data are given below.

	XLtd.	ALtd.
Total No. Of equity shares.	300000	75000
EAT	500000	450000
MPS	35	40

a. What is exchange ratio based on market price?

b. What is pre-merger EPS and P/E ratio for each company?

c. What is EPS of X Ltd after the acquisition?

d. What is expected MPS of the merged company?

18. Explain takeover regulations prescribed by SEBI.

(2 × 5 = 10 Weightage)
