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Total No. of Pages : 02

Total No. of Questions : 08

MBA (2018 Batch) (Sem.-2)
CORPORATE FINANCE AND INDIAN FINANCIAL SYSTEM

Subject Code : MBA-206-18

M.Code : 76158

Date of Examination : 15-07-21

Time : 2 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. Attempt any FIVE question(s), each question carries 12 marks.

1. What is financial management all about? Compare the profit maximization vs. wealth maximization as objectives of the financial management.
2. Explain in detail the risk-return relationship between long term and short term sources of finance.
3. Compare and contrast NPV vs. IRR as method of appraising capital investments? Which method is better and why?
4. Explain in detail the risk-return relationship between long term and short term sources of finance.
5. Explain the various models of dividend policy. Do you think that they are relevant?
6. Explain the various approaches of Working capital Management. What are the determinants of Working Capital Management?
7. Explain how the economic development and the financial system are interlinked?

8. Case Study :

Arun is a successful businessman in the paper industry. During his recent visit to his friend's place in Mysore, he was fascinated by the exclusive variety of incense sticks available there. His friend tells him that Mysore region is known as a pioneer in the activity of Agarbathi manufacturing because it has a natural reserve of forest products especially Sandalwood to provide for the base material used in production. Moreover, the suppliers of other types of raw material needed for production follow a liberal credit policy and the time required to manufacture incense sticks is relatively less. Considering the various factors, Arun decides to venture into this line of business by setting up a manufacturing unit in Mysore. In context of the above case:

Questions :

- a. Identify and explain the type of financial decision taken by Arun.
- b. Identify the three factors mentioned in the paragraph which are likely to affect the working capital requirements of his business.

Note: Any student found attempting answer sheet from any other person(s), using incriminating material or involved in any wrong activity reported by evaluator shall be treated under UMC provisions.

Student found sharing the question paper(s)/answer sheet on digital media or with any other person or any organization/institution shall also be treated under UMC.

Any student found making any change/addition/modification in contents of scanned copy of answer sheet and original answer sheet, shall be covered under UMC provisions.