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Total No. of Questions: 17

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### MBA / MBA (IB) (2018 Batch) (Sem.-2) CORPORATE FINANCE AND INDIAN FINANCIAL SYSTEM Subject Code : MBA-206-18 M.Code : 76158

Time: 3 Hrs.

Max. Marks : 60

### INSTRUCTIONS TO CANDIDATES :

- 1. SECTION-A contains EIGHT questions carrying TWO marks each and students have to attempt ALL questions.
- 2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and students have to attempt any ONE question from each Subsection.
- 3. SECTION-C is COMPULSORY and consists of ONE Case Study carrying TWELVE marks.

# SECTION-A

- 1. Annuity
- 2. Hybrid security
- 3. Debt
- 4. Pay back period
- 5. Capital rationing
- 6. Debentures
- 7. Bonds
- 8. SEBI

### **SECTION-B**

### UNIT-I

- 9. Discuss the functions and role of finance manager in a manufacturing firm.
- 10. What are the most common multiples used in valuation of equity?

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### UNIT-II

- 11. Elaborate different approaches for capital structure decision.
- 12. Write a note on concept and methods for determining time value of money in terms of cash flows.

### **UNIT-III**

- 13. Discuss various strategies for managing working capital in India.
- 14. Write notes on :
  - a) Dividend decision
  - b) Irrelevance of dividends in present times

### UNIT-IV

- 15. GDR s and capital markets can create good sources of finance for a company. Discuss
- 16. Elaborate the role and utility of Reserve Bank of India

# SECTION-C

17. Case Study :

A firm is contemplating the purchase of a new \$590,000 computer-based order entry system. The system will be depreciated straight-line to zero over its five-year life. It will be worth \$62,000 at the end of that time. You will save \$220,000 before taxes per year in order processing costs, and you will be able to reduce working capital by \$77,000 (this is a one-time reduction).

### **Question**:

If the tax rate is 34%, what are the IRR and NPV (@10%) and payback period for this project?

## NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.

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