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Total No. of Pages : 02

Total No. of Questions : 17

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?



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.