THIRD SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2021

(CUCSS)

M.B.A.

BUS 3EF 03/IB 03—STRATEGIC FINANCIAL MANAGEMENT

(2016 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer the following.
Each question carries 1 weightage.

1. What is agency cost ?

2. What is marking to market ?

3. Who are VaR ?

4. What is swap ?

5. What does going private mean?

6. What are the motives for cross border M and A ?

(6 × 1 = 6 weightage)

Part B

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

7. What are the advantages of dividend growth model over dividend yield model ?

8. Discuss the assumptions of Black and Scholes model.

9. Explain the effects of financial distress.

10. Discuss the motives for hostile takeover.

11. "Too many diversification of firm is not good". Discuss.

12. Explain the following terms : ADR, GDR and ADS.

(4 × 3 = 12 weightage)

Turn over

Part C

Answer any **three** *questions.*
Each question carries 4 weightage.

13. Discuss the various business valuation methods used in firms.

14. What are derivatives ? List and explain in detail all four major classifications of derivatives.

15. What are buyouts ? List and explain various types of Buyouts.

16. Enlist and discuss various types of amalgamation of firms.

17. What is LBO? Discuss the sources of value generation through LBO.

(3 × 4 = 12 weightage)

Part D

Compulsory question.
6 weightage.

18. Dabur is a company with a set of business values, which direct its functioning as well as its operations. The company is committed to follow the ethical practices in doing the business. At Dabur, nature acts as not only the source of raw material but also an inspirational factor. The company is guided by the words "What is that life worth that cannot be comfort to others" as said by the founder Dr. S. K. Burman. All the above factors act as the components of strategy. In this context, discuss the components of business strategy involved.

(1 × 6 = 6 weightage)