



B.B.A. V Semester Degree Examination, Sept./Oct. - 2024

ADVANCED CORPORATE FINANCIAL MANAGEMENT

(NEP)

Time : 2 Hours

Maximum Marks : 60

SECTION - A

1. Answer the following questions. Each question carries **one** mark. **10x1=10**
- (a) What is Cost of Capital ?
 - (b) What is Risk ?
 - (c) What is dividend decision ?
 - (d) Mention types of Merger.
 - (e) Expand EPS.
 - (f) What is Co-efficient of variation ?
 - (g) Define Net Operating Income Theory.
 - (h) Mention any two significance of PE Ratio.
 - (i) Write two assumption of Tradition Theory.
 - (j) What is acquisition ?

SECTION - B

Answer **any four** of the following questions.

4x5=20

2. Explain different types of Capital.
3. Shiva Ltd has expected a operating income of ₹ 4,50,000 and equity capitalization is 12% it has a debt of ₹ 7,50,000 at 10%.
Compute the value of the firm and overall Cost of Capital according to Net Income approach, Income Tax may be ignored.



4. Explain types of Risk.
5. Explain purpose of an Integrated Report.
6. State the benefits of Merger.
7. Explain Ethical Issues in financial Management.

SECTION - C

Answer **any three** of the following. Each carries **ten** marks.

3x10=30

8. Explain different Techniques of Measuring Risk.
9. Explain Ethical and Governance Issues.
10. Explain different types of Cost of Capital.
11. Tona Ltd. has 2,00,000 shares outstanding and is planning to declare a dividend to ₹ 5 at the end of current financial year. The present market price is ₹ 100. The cost of equity capital (K_e) may be taken at 10% using MM Model and assuming no taxes ascertain the price of the Company's shares as it is likely to prevail at the end of the year.
 - (1) When dividend is declared.
 - (2) When dividend is not declared. The company expected to have a net income of ₹ 20,00,000 during the year and is planning is to make on investment of ₹ 40,00,000 at the end of the year. Also the value of the firm.
12. Imran Ltd. expect annual net operating income of ₹ 6,00,000, it has ₹ 15,00,000 outstanding debt cost of debt 10% if the overall capitalisation rate is 12.5%. What would be the total value of the firm and equity capitalisation rate according to Net Operating Income Theory.

- o o o -

