MB122A

Sl. No.

IV Semester M.B.A. Degree Examination, May/June - 2026

MANAGEMENT

Strategic Financial Management (Elective-A)

(Non-CBCS Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any Five sub-questions. Each sub-question carries Three marks. (5×3=15)

1. a) Discuss the structure of venture capital firms.

b) Explain the scope of financial engineering in SFM.

c) State the process of merger and acquisition.

d) What are the reasons for failures in mergers and acquisitions?

e) Discuss the purposes of debt restructuring.

f) List out the any six recent merger and acquisition companies in India.

g) State the features of Financial disstress.

SECTION - B

Answer any Four of the following questions. Each question carries Five marks. (4×5=20)

2. Discuss the scope of strategic financial management.

3. Distinguish between the venture capitalist and entrepreneurs.

4. What are the provisions of the companies Act 2013 regards to merger and acquisitions?

5. What is Corporate Restructuring? What are the motives behind Corporate Restructuring?

6. Write note on bankruptcy.

7. What are the challenges in strategic financial management?

[P.T.O.

SECTION - C

Answer any Three of the following questions. Each question carries Ten marks. **(3×10=30)**

8. A company has total investment of Rs. 5,00,000 assets and 50,000 outstanding equity shares of Rs. 10 each. It earns a rate of 15 per cent on its investment, and has a policy of retaining 50 per cent of the earnings if the appropriate discount rate for the firm is 10 per cent; determine the price of its share using Gorden's Model. What shall happen to the price, if the company has a payout of 80 per cent or 20 per cent?

9. Discuss the methods and process of venture capital financing.

10. What do you understand by corporate debt restructuring? Discuss the various types and issues in implementing 'corporate debt restructuring' successfully.

11. Discuss the different methods of corporate restructuring.

12. What is Takeover? Write about hostile takeover and also about takeover defences.

SECTION - D

Case (Compulsory). **(1×15=15)**

13. XYZ is intended to acquire ABC Ltd. The following information is available in respect of companies:

Particulars	**XYZ**	**ABC**
No. of equity shares	5,00,000	3,00,000
Earnings after tax	25,00,000	9,00,000
Market value of shares	21	14

a) What is the present EPS of both the companies?

b) If the merger takes place, what would be the new earnings per share of XYZ Ltd., (assuming that the exchange ratio is based on current market price?).

c) What should be the exchange ratio if XYZ wants to ensure the earnings to members as same as before the merger?

———————