MB-122A

Sl.No. : **Total No. of Pages : 2**

Fourth Semester M.B.A Degree Examination, May - 2025
(SLM Scheme) (NON-CBCS)
MANAGEMENT
Strategic Financial Management (Elective - A)

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any five sub-questions. Each question carries three marks. [5 × 3 = 15]

Q1) a) Mention the Demerits of Financial Engineering.

b) What do you mean by Value Creation in Mergers?

c) What does Tobin's Q ratio indicate?

d) Write a short note on financial distress?

e) Define the Mergers and Acquisitions.

f) What is Strategic financial planning?

g) What is green mail?

SECTION - B

Answer any four questions. Each question carries five marks. [4 × 5 = 20]

Q2) Explain the specific motives for mergers and acquisitions.

Q3) Briefly discuss the Classification of Mergers.

Q4) Elucidate the effects of corporate debt restructuring.

Q5) Examine the various stages of venture capital finance.

Q6) Explain the importance of Venture Capital.

Q7) Examine the financial innovations in India.

SECTION - C

Answer any three questions. Each question carries ten marks. [3 × 10 = 30]

Q8) Discuss the Challenges in Strategic Financial Management.

Q9) Describe the various forms of restructuring.

Q10) Explain the models of financial planning.

Q11) Discuss the pros and cons of bankruptcy.

Q12) Explain the legislations applicable to mergers and take over in India.

SECTION - D

Case (Compulsory). [1 × 15 = 15]

Q13) In order to meet the fast-growing demand of the Chinese market, China's largest petroleum products producer and distributor, China Petroleum & Chemical Corporation (SINOPEC), formed a Joint Venture (JV) with the US chemical major DuPont to produce Ethyl Vinyl Acetate (EVA). The JV would install a production capacity of 60,000 tonnes of EVA per annum in SINOPEC's Beijing-based unit Yanshan Petrochemical Corporation and was scheduled to startup at the end of 2008. SINOPEC would own 55% of the JV and DuPont would hold the remaining 45%. The combination of the manufacturing expertise of SINOPEC and the latest EVA technology from DuPont Packaging & Industrial Polymers will open up new business opportunities to serve different market segments in China. The new facility will enhance the existing manufacturing capability of SINOPEC and will capture the rapidly emerging market demand. In 2007, China had an annual total consumption of 700,000 tonnes of EVA; and with the ongoing economic development, the demand of EVA was expected to increase to 1 million tonnes by 2010. The international JV would also mitigate the investment risk of SINOPEC. The JV would also boost the demand for SINOPEC's petroleum products. But going forward, SINOPEC might face problems on account of conflict of interest, capacity expansion and political interference.

Questions:

a) Discuss the role of the Joint Ventures (JVs) in Sinopec's global expansion.

b) Comment on the future of Sinopec's strategic alliances.

