MBSC- 4.1A

Sl. No.

IV Semester M.B.A Degree Examination, May/June - 2026
MANAGEMENT
Elective - A : Finance
Strategic Financial Management
(CBCS SLM Scheme)

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

SECTION - A

Answer any Five questions. Each question carries Five marks. **(5×5=25)**

1. Evaluate the role of dividend policy in shareholder wealth maximization.
2. XYZ Ltd. has a market capitalization of Rs.850 million and a book value of debt of Rs.350 million. The replacement cost of its assets is estimated at Rs.1,200 million. Calculate Tobin's Q ratio for the company and interpret the result.
3. Discuss the advantages and disadvantages of mergers from the perspective of shareholders, employees, and society.
4. Compare the due diligence process for domestic vs cross-border mergers.
5. Describe the process and objectives of corporate restructuring.
6. Explain Joint ventures.
7. Explain the concept of pre-packaged bankruptcy and its advantages.

SECTION - B

Answer any Four questions. Each question carries Ten marks. **(4×10=40)**

8. Discuss how financial innovations impact corporate financing strategies.
9. What is corporate debt Restructuring? and mention the types of debt restructuring.
10. Analyse why certain turnaround strategies succeed in high-leverage firms but fail in low-leverage firms.
11. Critically evaluate the ethical justification of poison pills from the standpoint of stakeholder theory.
12. Explain the various strategies available to a company facing financial distress.
13. Mention the Legal and procedural aspects of merger and acquisitions in detail.

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SECTION - C

14. Case Study (Compulsory) **(1×15=15)**

In 2022, Zomato acquired Blinkit (formerly Grofers), a 10-minute grocery delivery startup, in an all-stock deal worth Rs.4,447 crore. The acquisition aimed to diversify Zomato's revenue streams and capture the growing quick-Commerce market in India.

At the time of acquisition:

- Blinkit was loss-making but showed rapid order growth in metro cities
- The quick-commerce market in India was valued at $\sim \$0.3$ billion in 2021, projected to reach $\$5$ billion by 2025.
- Zomato expected operational synergies between its delivery fleet, customer base, and Blinkit's hyperlocal supply chain.

Post-acquisition issues:

- Blinkit's high operating costs pushed Zomato' s consolidated losses higher.
- Slow expansion beyond metro cities reduced projected market penetration.
- Rising fuel prices increased last-mile delivery costs.
- Heavy competition from Zepto, Swiggy Instamart, and BigBasket Now.
- Investors questioned whether the acquisition diverted focus from Zomato' s core food delivery business.

Data Snapshot

Metric	2021-22	2022-23	2023-24(Est.)
Zomato Revenue (Rs. Crore)	4,200	7,100	9,000
Zomato Net Loss(Rs. Crore)	1,220	970	630
Blinkit Revenue(Rs.Crore)	420	800	1,200
Blinkit Net Loss (Rs.Crore)	1,040	950	700
Quick-Commerce market share(Blinkit)	22%	23%	20%

Questions:

a) Was Zomato's acquisition of Blinkit Strategically justified? Use the concepts of horizontal integration and diversification in your answer. **(5)**

b) Evaluate the post-merger integration issues in the Zomato-Blinkit case. How could these have been managed better? **(5)**

c) Recommend two strategic options for Zomato to improve Blinkit' s profitability and market share. **(5)**
