MBSC-4.1A

Sl.No. :

Total No. of Pages : 2

Fourth Semester M.B.A. Degree Examination, November - 2024
(SLM Scheme) (CBCS)
MANAGEMENT
Elective - A: Finance
Strategic Financial Management

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

SECTION - A

Answer any Five questions. Each question carries FIVE marks : [5 × 5 = 25]

Q1) Define Strategic Financial Management and explain its significance in corporate decision making.

Q2) Explain the scope of Strategic Financial Planning and its role in a firm's financial strategy.

Q3) How do financial innovations impact dividend policy and financial decision-making? Provide examples.

Q4) What is Financial Engineering, and what are its challenges in Strategic Financial Management?

Q5) Discuss the concept of Tobin's Q ratio and its relevance to corporate financial performance analysis.

Q6) Explain the concept of corporate Governance.

Q7) What are the different modes of liquidation, and how do they affect companies facing financial distress?

SECTION - B

Answer any Four questions. Each question carries TEN marks : [4 × 10 = 40]

Q8) Explain antitakeover strategies

Q9) Discuss the various types of Financial Innovations with a focus on Dividend Policy and Capital Structure in a perfect world.

Q10) Discuss the stages of venture development and financing, highlighting key challenges faced by startups during this process.

Q11) Compare and contrast mergers, takeovers, and buyouts, providing relevant examples from the Indian corporate sector.

Q12) Discuss the strategies companies use to navigate bankruptcy, reorganization, and how financial restructuring can help them recover.

Q13) Discuss the regulatory challenges and the importance of aligning corporate financial strategies with governance practices to ensure sustainable growth.

SECTION - C

Q14) **Case (Compulsory) :** **[1 × 15 = 15]**

ABC Ltd., a leading player in the automobile manufacturing sector in India, has been facing intense competition from global brands entering the Indian market. To strengthen its market position and expand its product line, ABC Ltd. considered a strategic merger with DEF Ltd., a mid-sized automobile parts manufacturer with a strong presence in electric vehicle components. The merger between ABC Ltd. and DEF Ltd. was finalized after several rounds of negotiations. The key motivation behind the merger was to create synergies that would allow ABC Ltd. to diversify into the electric vehicle market and benefit from DEF Ltd.'s expertise in electric components. Additionally, DEF Ltd. sought to expand its reach by leveraging ABC Ltd. 's extensive distribution network.

However, not all aspects of the merger were smooth. There were challenges related to integrating the organizational cultures of the two companies. There were also concerns about the valuation of DEF Ltd., as some stakeholders believed the price paid for the acquisition was too high. Despite these challenges, the merged entity aimed to become a dominant force in the electric vehicle market in India within five years.

Questions:-

a) What are the potential advantages and challenges of mergers like the one between ABC Ltd. and DEF Ltd., particularly in the context of entering new markets like electric vehicles?

b) Discuss the key factors to be considered when valuing a company for a merger or acquisition. How do these factors influence the decision-making process?