

14/05/2019

Roll No.

Total Pages : 2

CMMS/M-19

13248

CORPORATE FINANCE

Paper : MBA-205

Time : Three Hours]

[Maximum Marks : 70

Note : Question No. 1 is compulsory. The candidate is required to attempt any *five* questions from the remaining 8 questions.

1. Compulsory Question.

- (a) What are challenges before the finance manager of modern enterprise.
- (b) How are future value and present value of an annuity due calculated ?
- (c) Explain "wealth maximization" as an objective of a firm.
- (d) Define holding-period return. How is it calculated ?
- (e) What is credit policy of a company ?

2. Define the scope of financial management. Does the 'Modern' financial manager's role differ for that of a "traditional" financial manager's.

3. Explain the major sources of finance available for a large diversified firm.

4. A project costs Rs. 81,000 and is expected to generate net cash inflow of Rs. 40,000, Rs. 35,000 and Rs. 30,000 over its life of 3 years. Calculate the Internal rate of Return.

- 5.** Define cost of capital. Explain its significance in financial decision-making.
- 6.** How can probability theory be utilized in analysing risk of investment projects ? Illustrate.
- 7.** Explain the nature of the factors which influence the dividend policy of a firm.
- 8.** What is the importance of working capital for a manufacturing company ? What shall be the repercussions if a firm has
 - (a) Paucity of working capital.
 - (b) Excess working capital.
- 9.** Explain the factors that influence the planning of the capital structure in practice.