22CSP105N/ 22CSP105

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
MCom(CS) DEGREE EXAMINATION MAY 2024
(First Semester)

Branch – **CORPORATE SECRETARYSHIP**

STRATEGIC AND FINANCIAL MANAGEMENT

Time: Three Hours   Maximum: 75 Marks

SECTION-A (10 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** marks   (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	_________ is not one of the elements of strategic management. a. Formulating strategy b. Implementation of Strategy c. Evaluation of Strategy d. None of the above	K1	CO1
	2	Market penetration strategy can be executed by _______ a. Decreasing Prices b. Increasing Prices c. Increasing Margin d. Producing at mass level	K2	CO2
2	3	The BCG Matrix is based on __________ a. Industry attractiveness & Business Strength b. Industry Growth rate & Business strength c. Industry Attractiveness & Relative market share d. Industry Growth rate & Relative market share	K1	CO1
	4	The BCG matrix is also known as________ a. The Boston Box b. Product Portfolio matrix c. Growth-Share matrix d. All of the above	K2	CO2
3	5	The ultimate concern of Financial Management is: a. to arrange the funds b. effective management of all the business c. receiving the maximum profit d. to acquire and utilize every aspect of financial resources in order to maintain the firm activities	K1	CO1
	6	The ultimate purpose of Financial management is: a.to get a maximum return b.to increase the wealth of owners c.to have a maximum risk factor d.to get a maximum profit	K2	CO2
4	7	………… is defined as the length of time required to recover the initial cash outlay. a. Pay back period b. inventory conversion period c. discounted cash back d. budgeted period.	K1	CO1
	8	In weighted average cost of capital, rising in interest rate leads to- a. increase in cost of debt b. increase the capital structure c. decrease in cost of debt d. decrease the capital structure	K2	CO2
5	9	Which of the following is not a risk factor in capital budgeting? a. industry specific risk factors b. competition risk factors c. project specific risk factors d. interest risk factors	K1	CO1
	10	The Market price of the share is least affected by a. Steady dividend at higher level b. Steady dividend at lower level c. Steady dividend at current level d. None of the above	K2	CO2

SECTION - B (35 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** Marks   (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Outline the framework of strategic management.	K2	CO1
		(OR)		
	11.b.	Contrast the factors of micro and macro environment of business.		

2	12.a.	Identify the General electric (GL) model with an examples.	K3	CO2
		(OR)		
	12.b.	Analyse about logistic strategies.		
3	13.a.	Examine the factors influencing financial decisions.	K4	CO3
		(OR)		
	13.b.	List the functions of financial manager.		
4	14.a.	Compare Net income approach and Net operating approach.	K4	CO4
		(OR)		
	14.b.	A firms Ke (return available to shareholders) is 15 %, the average tax rate of shareholders is 40 % and it is expected that 2 % is brokerage cost that shareholders will have to pay while investing their dividends in alternative securities. What is the cost of retained earnings?		
5	15.a.	Assess the need and importance of capital budgeting.	K4	CO5
		(OR)		
	15.b.	The initial cash outlay of a project is Rs. 50,000 and it generates cash inflows of Rs. 20,000, Rs.15,000, Rs.25,000 and Rs.10,000 in four years. Using present value index method, appraise profitability of the proposed investment assuming 10% rate of discount.		

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Interpret the vision, mission, objectives and goals of Strategic decision model.	K2	CO1
2	17	Inspect about Ansoff product growth matrix and ADL matrix.	K4	CO2
3	18	Compare traditional approach and modern approach of financial management.	K5	CO3
4	19	Compare Cost of retained earnings and weighted average cost of capital.	K4	CO4
5	20	The following information is available in respect of a firm: Capitalization rate = 10 % Earnings per share = Rs.50 Assumed rate of return on investments : i) 12 % ii) 8 % iii) 10 % Show the effect of dividend policy on market price of shares applying Walters formula when dividend payout ratio is a) 0 % b) 20 % c) 40 % d) 80 % and e) 100 %	K5	CO5

Z-Z-Z END