

## Branch – CORPORATE SECRETARYSHIP

## Time: Three Hours

**SECTION-A (10 Marks)**

**ALL questions carry EQUAL marks**

Module No.	Question No.	Question	K Level	CO
1	1	The term strategies derived from a _____ word strategos a) Latin                                      b) Greek c) Chinese                                  d) German	K1	CO1
	2	Which of the following is NOT a major element of the strategic management process? a) Formulating Strategy                b) Implementing Strategy c) Evaluating Strategy                 d) Assigning Administrative Tasks	K2	CO1
2	3	_____ focuses on supporting the corporate and business strategies. a) Competitive Strategy                b) Corporate Strategy c) Functional Strategy                 d) National Strategy	K1	CO2
	4	_____ is not a stage of strategy formulation techniques a) Formulation Framework            b) Matching Stage c) External factor evaluation         d) Decision stage	K2	CO2
3	5	The finance manager's role is to : a) ensures that the funds are properly utilised b) maintains the financial health c) effectiveness supervision of capital d) Obtains capital assets of the organisation	K1	CO3
	6	The ultimate purposes 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 profits	K2	CO3
4	7	_____ are the components of capital structure a) debt and equity                        b) debts, preferred stock and equity c) Debts, revenue and equity         d) all of the above	K1	CO4
	8	What is the cost of capital? a) Company funds                        b) Minimum rate of return c) Capital investment in the company d) cost of the products or services of the company	K2	CO4
5	9	Capital budgeting is a part of a) Investment Decision                 b) Working Capital Management c) Marketing Management              d) Capital Structure	K1	CO5
	10	Gordon's "bird-in-the-hand" argument suggest that a) dividends or irrelevant b) firms should have a 100 percent pay out policy c) shareholders are generally risk averse and attach less risk to current dividends d) the market value of the firm unaffected by dividend policy	K2	CO5

**ALL questions carry EQUAL Marks**

ALL questions carry EQUAL Marks					(5 × 7 = 35)	
Module No.	Question No.	Question	K Level	CO		
1	11.a.	Characteristics of business environment.	K3	CO1		
		(OR)				
	11.b.	Objectives and goals of strategic management.				
2	12.a.	List the difference between PERT and CPM models.	K1	CO2		
		(OR)				
	12.b.	Explain the advantages of BCG Matrix.				
3	13.a.	List the nature of Financial Management.	K2	CO3		
		(OR)				
	13.b.	Discuss the approaches to finance function.				

4	14.a.	In considering the most desirable capital structure for a company, the following estimates of the cost of debt and equity capital (after tax) have been made at various levels of debt-equity mix:			K4	CO4	
		Debt as % of total capital employed	Cost of Debt (%)	Cost of Equity (%)			
		0	7.0	15.0			
		10	7.0	15.0			
		20	7.0	15.5			
		30	7.5	16.0			
		40	8.0	17.0			
		50	8.5	19.0			
		60	9.0	20.0			
You are required to determine the optimal debt-equity mix for the company by calculating composite cost of capital.							
(OR)							
	14.b.	Attributes of well planned capital structure-Explain.					
5	15.a.	Need and importance of capital budgeting.				K5	CO5
		(OR)					
		X Limited producing articles mostly by manual labour and is considering to replace it by a new machine. There are two alternative models M and N of the new machine. Prepare a statement of profitability showing the pay back period from the following information.					
		Particulars	Machine A	Machine B			
	15.b.	Estimated life of machine	4 years	5 years			
		Cost of machine	90,000	1,80,000			
		Estimated savings in scrap	5,000	8,000			
		Estimated savings in direct wages	60,000	80,000			
		Additional cost of maintenance	8,000	10,000			
		Additional cost of supervision	12,000	18,000			

**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	Discuss the functions of Company Secretaries in strategic management.	K4	CO1																								
2	17	Outline the steps for formulation of financial strategies.	K2	CO2																								
3	18	Explain the role and functions of finance manager.	K5	CO3																								
4	19	A company's after tax cost of capital of the specific sources of finance is as under	K4	CO4																								
		<table><tr><th>Sources</th><th>Book Value</th><th>Market Value</th><th>After Tax Cost (%)</th></tr><tr><td>Equity</td><td>16,00,000</td><td>32,00,000</td><td>20</td></tr><tr><td>Preference shares</td><td>4,00,000</td><td>4,80,000</td><td>15</td></tr><tr><td>Retained earnings</td><td>8,00,000</td><td>-</td><td>18</td></tr><tr><td>Debentures</td><td>12,00,000</td><td>13,20,000</td><td>8</td></tr><tr><td>Total</td><td>40,00,000</td><td>50,00,000</td><td></td></tr></table>			Sources	Book Value	Market Value	After Tax Cost (%)	Equity	16,00,000	32,00,000	20	Preference shares	4,00,000	4,80,000	15	Retained earnings	8,00,000	-	18	Debentures	12,00,000	13,20,000	8	Total	40,00,000	50,00,000	
		Sources			Book Value	Market Value	After Tax Cost (%)																					
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Total	40,00,000	50,00,000																										
Compute Weighted Average Cost of Capital based on book value and market value weights separately.																												
5	20	Interpret the determinants of dividend policies.	K5	CO5																								