

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom (CS) DEGREE EXAMINATION DECEMBER 2025
(First Semester)

Branch - CORPORATE SECRETARSHIP

STRATEGIC AND FINANCIAL MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

$(10 \times 1 = 10)$

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following is not a factor of micro environment? a) Suppliers b) Customers c) Government policies d) Competitors	K1	CO1
	2	Business Policy acts as _____ a) A guide for strategic decision making b) A substitute for corporate governance c) A replacement of mission d) None of the above	K2	CO1
2	3	Which strategic tool is primarily used for situational analysis? a) SWOT Analysis b) CPM c) BCG Matrix d) GE Model	K1	CO2
	4	PERT and CPM are mainly used for _____ a) Marketing strategies b) Portfolio analysis c) Project scheduling and control d) Competitive analysis	K2	CO2
3	5	Which of the following is not a financial decision? a) Investment decision b) Financing decision c) Dividend decision d) Pricing decision	K1	CO3
	6	The modern approach of financial management focuses on _____ a) Accounting profits b) Maximization of wealth c) Sales growth d) Expansion of market share	K2	CO3
4	7	According to Traditional Approach, the cost of capital _____ a) Decreases continuously b) Increases continuously c) First decreases and then increases d) Remains constant	K1	CO4
	8	Cost of retained earnings is generally considered as _____ a) Zero b) Equal to cost of equity c) Higher than cost of debt d) Lower than cost of preference capital	K2	CO4
5	9	The profitability index is calculated as _____ a) $NPV \div \text{Initial Investment}$ b) $\text{Initial Investment} \div \text{Cash Inflows}$ c) $IRR \div NPV$ d) $\text{Cash Inflows} \div \text{Payback Period}$	K1	CO5
	10	A company paying fixed dividend per share every year follows _____. a) Regular dividend policy b) Stable dividend policy c) Irregular dividend policy d) Residual dividend policy	K2	CO5

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SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

 $(5 \times 7 = 35)$

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the environmental factors influencing business decisions. (OR)	K2	CO1
	11.b.	Discuss the strategic decision-making model with neat diagram.		
2	12.a.	What is portfolio analysis? Explain GE Nine-cell Model. (OR)	K3	CO2
	12.b.	Write short notes on Ansoff's Product Growth Matrix.		
3	13.a.	Explain the nature and significance of financial management. (OR)	K3	CO3
	13.b.	Write a detailed note on the risk-return trade-off in financial management.		
4	14.a.	Compare and contrast Net Income Approach and Modigliani-Miller Approach. (OR)	K4	CO4
	14.b.	A Firm's K_e (return available to shareholder's) is 15%, the average tax rate of shareholder's is 40% and it is expected that 2% is brokerage cost that shareholder's will have to pay while investing their dividend's in alternative securities. What is the cost of retained earnings?		
5	15.a.	Explain Internal Rate of Return (IRR) and its advantages and limitations. (OR)	K3	CO5
	15.b.	A project cost Rs. 5,00,000 & yield's annually a profit of Rs.80,000 after depreciation @ 12% p.a. but before tax of 50%. Calculate the pay back period.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

 $(3 \times 10 = 30)$

Module No.	Question No.	Question	K Level	CO
1	16	Critically analyze the importance of environmental scanning in strategic management.	K4	CO1
2	17	Examine the strategic alternatives available to an organization according to Glueck & Jauch.	K4	CO2
3	18	"Financial management is the backbone of business success." – Evaluate this statement in light of its objectives and scope.	K5	CO3
4	19	a) A compay expects a net income of Rs.80,000, It has Rs.2,00,000, 8% Debenture's. The equity capitalization rate of the company is 10%. Calculate the value of the firm and overall capitalization rate according to the net income approach (ignoring income – tax). b) If the debenture debt is increased to Rs.3,00,000, What shall be the value of the firm and the overall capitalization rate?	K5	CO4
5	20	Evaluate the strengths and weaknesses of Payback, NPV, and IRR as capital budgeting techniques. Which one would you adopt as a financial manager? Justify.	K5	CO5