

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom(CS) DEGREE EXAMINATION DECEMBER 2023
(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 | Who is called the Father of Strategic Management? a) Chandler b) Igor Ansoff c) Michael Porter d) John Nash | K1 | CO1 |
| | 2 | Which of the following is not a major element of the strategic management process? a) Formulation strategy b) Implementing strategy c) Evaluating strategy d) Assigning administrative tasks | K2 | CO2 |
| 2 | 3 | Purpose of a strategic analysis is to -..... a) Analyze an organization's external and internal environment b) Assess current strategies c) Generate and evaluate the most successful strategic alternatives d) All of the above | K1 | CO1 |
| | 4 | Strategic analysis involves: a) Identifying and evaluating data relevant to the company's strategy b) Defining the internal and external environments to be analyzed c) Using several analytic methods such as Porter's five forces analysis, SWOT analysis etc d) All of the above | K2 | CO2 |
| 3 | 5 | Which of the following options is not the characteristics of the perfect competition market? a) Sellers selling homogeneous products. b) Free entry and exit for the firms. c) No intervention by the government. d) Sellers spend a huge amount of money on advertising. | K1 | CO1 |
| | 6 | One of the requirements for a monopoly is that a) the product cannot be produced by small firms. b) there are several close substitutes for the product. c) there is a unique product with no close substitutes. d) products are high priced. | K2 | CO2 |
| 4 | 7 | 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 | K1 | CO1 |
| | 8 | The term "capital structure" refers to: a) current assets & current liabilities b) long-term debt, preferred stock, and common stock equity c) total assets minus liabilities d) Shareholder \ equity | K2 | CO2 |
| 5 | 9 | Evaluation of Capital Budgeting Proposals is based on Cash flows because: a) cash flows are easy to calculate b) cash flows are suggested by SEBI c) cash is more important than profit d) cash flows are unable to prepared | K1 | CO1 |

Cont...

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|--|----|--|----|-----|
| | 10 | Savings in respect of a cost is treated in capital budgeting as: a) an inflow b) an outflow c) Nil d) as one | 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. | Interpret the importance of company secretaries. | K2 | CO1 | | |
| | | (OR) | | | | |
| | 11.b. | Summarize the components of business environment. | | | | |
| 2 | 12.a. | Contrast the formulation of functional strategy. | K4 | CO2 | | |
| | | (OR) | | | | |
| | 12.b. | Find out the earliest possible time for completing a project from the following information as regards the jobs involved in the project with their time duration. | | | | |
| | | Job | | | Activity | Time Duration |
| | | A | | | 1-2 | 8 days |
| B | | 2-4 | 6 days | | | |
| C | | 2-3 | 7 days | | | |
| | D | 3-4 | 6 days | | | |
| | E | 4-5 | 7 days | | | |
| 3 | 13.a. | Identify the scope of financial management. | K3 | CO3 | | |
| | | (OR) | | | | |
| | 13.b. | Compare financing decision and dividend decisions. | | | | |
| 4 | 14.a. | Interpret the meaning and significance of capital structure. | K5 | CO4 | | |
| | | (OR) | | | | |
| | 14.b. | Explain the meaning and significance of cost of capital. | | | | |
| 5 | 15.a. | Initial Investment = Rs.60,000 Life of the asset = 4 Years Estimated Net Annual cash flows: 1 st Year = Rs.15,000 2 nd Year = Rs.20,000 3 rd Year = Rs.30,000 4 th Year = Rs. 20,000 Calculate Internal Rate of Return. | K5 | CO5 | | |
| | | (OR) | | | | |
| | 15.b. | Appraise about the pay back period and rate of return. | | | | |

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 | Summarize about the Porters five force model. | K2 | CO1 |
| 2 | 17 | Examine about PERT and CPM. | K4 | CO2 |
| 3 | 18 | Discuss the functional areas of financial management. | K6 | CO3 |
| 4 | 19 | The firms A and B are identical in all respects including risk factors except for debt equity mix. Firm A has issued 12 % debentures of Rs.15 Lakhs while B has issued only equity. Both the firms earn 30 % before interest and taxes on their total assets of Rs. 25 Lakhs. Assuming a tax rate of 50 % and capitalization rate of 20 % for an all - equity company, you are required to compute the value of the two firms using a) Net income approach b) Net operating income approach. | K5 | CO4 |
| 5 | 20 | Identify the determinants of dividend policy. | K3 | CO5 |

Z-Z-Z END