

Roll No.

Total Pages : 2

LMMS/M-24

27350

CORPORATE FINANCE

Paper–MBA–205

Time Allowed : 3 Hours]

[Maximum Marks : 70

Note : Attempt **six** questions in all, Question No. **1** is compulsory. Attempt any **five** questions, out of remaining **eight** questions carrying 10 marks each.

Compulsory Question

1. State and explain the following : 5×4=20
 - (a) Cost of Capital.
 - (b) Optimum capital structure.
 - (c) 'Information content of dividend' hypothesis.
 - (d) Time value of Money.
 - (e) Essentials of credit policy.
2. Critically examine the pervasiveness of wealth maximisation objective of the Corporate finance in volatile times. 10
3. What is risk in the Capital budgeting decision? What are methods to analyze such risk? Explain. 10

4. How is cost of equity Capital computed? In what way, it is different from the Cost of retained earnings? Explain. 10
5. What do you understand by the Capital structure? Describe the factors determining the Capital structure of business firms. Explain. 10
6. Describe, in brief, the essentials of Working Capital management in the manufacturing enterprises. 10
7. 'Dividend decisions are passive residuals in the management of Corporate earnings', do you agree? Substantiate. 10
8. Describe the implications of the following : 10
 - (a) Financial indifference point.
 - (b) Bird in hand argument.
9. Write a detailed note on the Financial modelling framework followed in the Indian businesses. 10