

Roll No.

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Total No. of Pages : 02

Total No. of Questions : 18

B.Com. (Honours) (Sem.-5)
ADVANCED FINANCIAL MANAGEMENT
Subject Code : BCOP-512-18
M.Code : 78176

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY** consisting of TEN questions carrying TWO marks each.
2. **SECTIONS-B** consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any ONE question from each Sub-section.

SECTION-A

Write briefly :

- 1) Financial Advisor
- 2) Current Ratio
- 3) Hybrid Securities
- 4) Operational Risk
- 5) Agency Theory
- 6) Capital Rationing
- 7) Earning Yield
- 8) Mergers
- 9) MBO
- 10) Corporate Social Responsibility

SECTION-B

UNIT-I

- 11) How should the finance function of an enterprise be organized? Explain the role of financial advisor performed in this regard.
- 12) Give a Comparative evaluation of the various methods that are open to meet the financial requirements of a business house.

UNIT-II

- 13) What is Risk and Return? How are these correlated? Explain how risk affect the formulation of financial strategy.
- 14) What is an Integrated Report? Explain important parts and sections of an integrated report.

UNIT-III

- 15) What are the capital cash flow? How does the capital cash flow approach work? How does it is different from the free cash flow approach?
- 16) What is Capital Rationing? Explain different types of Capital rationing and how this is used for project evaluation.

UNIT-IV

- 17) What do you understand by Leverage Buy Out and Management Buy Out? Explain the steps involved in the evaluation of Management Buy Out?
- 18) A small Company is being acquired by Large Company on a share exchange basis. Their selected data are as follows :

Particulars	Large Company	Small Company
Profit after-tax (Rs. in Lakh)	56	21
Number of Shares (Lakh)	10	8.4
Earnings Per Share (Rs.)	5.6	2.5
Price-Earnings Ratio	12.5	7.5

Determine

- a. Pre-Merger, Market Value Per Share and
- b. The Maximum Exchange Ratio large Company should offer without the dilution of EPS and Market Value Per Share

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.