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**MASTER OF BUSINESS ADMINISTRATION IN  
FINANCIAL MARKETS  
(MBAFM)**

**Term-End Examination**

**December, 2012**

**MCT-073 : CORPORATE FINANCE**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Attempt any five questions. All questions carry equal marks.*

1. Write a note on Corporate Bond market in India. 20
2. Distinguish between Spin off and Split off by giving examples. 20
3. Distinguish between Horizontal and Vertical merger and explain the objective of merger. 20
4. What are the various sources of long term funds for a company ? 20
5. What are Bonus shares ? What impact does Bonus issue has on the share prices of a Company ? 20

6. Write notes on the following : 20  
(a) New Schedule VI of Companies Act  
(b) Return on Equity

7. Write a note on money market in India. 20

8. The capital of E. Co. Ltd. is as follows : 20

	(Rs.)
9% Preference shares Rs. 10 each	3,00,000
Equity shares of Rs. 10 each	<u>8,00,000</u>
	<u>11,00,000</u>

The accountant has ascertained the following information: Profit (after tax at 60%) Rs. 2,70,000; Depreciation Rs. 60,000; Equity dividend paid 20%; Market price of equity shares Rs. 40.

You are required to state the following, showing the necessary workings :

- (a) Dividend yield on the equity shares.
  - (b) Cover for the preference and equity dividends.
  - (c) Earnings for equity shares.
  - (d) Price-earnings ratio.
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