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**POST GRADUATE DIPLOMA IN GLOBAL  
BUSINESS LEADERSHIP  
(PGDGBL)**

**Term-End Examination  
December, 2012**

**MGBE-008 : STRATEGIC FINANCE :  
FORMULATIONS, APPRAISAL AND CONTROL**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt five questions including Q. No. 1 which is compulsory. All questions carry equal marks.*

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**(Compulsory Question)**

1. Define 'strategic finance' with the help of appropriate examples. What are its objectives? How does it differ from 'financial management'? 20

**(Attempt any four out of following six)**

2. How would you distinguish between 'merger' and 'acquisition'? Give suitable examples of mergers and acquisitions in India. Outline the finance related problems in case of a merger. 20

3. Why is it necessary to know the 'cost of capital' ? 20  
Do you think that weighted average cost of capital needs to be computed for deciding an investment proposal ? How would you calculate cost of equity ?
4. State the factors that determine the dividend policy of a firm. Outline briefly various dividend theories and their applicability. 20
5. What are various methods of appraising a capital budgeting proposal. Explain these with examples. Why is NPV method preferred ? 20
6. State the method and purpose of computing different types of beverages. Can these be linked together to arrive at meaningful financial decision ? 20
7. Write short notes on *any two* of the following : 20
- (a) Taxation and Strategic financial Management.
  - (b) Capital Asset Pricing Model
  - (c) Measuring Business Risk
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