

Ph.D. IN MANAGEMENT (PHDMGMT)

Term-End Examination

December, 2017

00449

**RMSE-001 : AREAWISE ADVANCED COURSE OF
STUDY AND READINGS : FINANCIAL MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

(Weightage : 50%)

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

1. How is the risk of individual asset measured when all investors hold the market portfolio ? Under what conditions may historical returns not be appropriate for estimating a variance for use in a Risk and Return model ?
2. What do you understand by Internal Rate of Return (IRR) and Modified Internal Rate of Return (MIRR) ? Under what conditions might a firm that accepts projects based on the internal rate of return not be maximizing the firm's value ? Why ?

3. Explain the Capital Asset Pricing Model (CAPM). To what extent can one depend on CAPM ? Discuss in light of the shortcomings of this model.
 4. What are Put and Call Options ? Discuss the investment attraction and the key risks involved with Put and Call Options. Analyse the difference between a bull spread created from calls and a bull spread created from puts.
 5. What do you understand by 'Financial Engineering' ? Why do corporates engage in financial engineering ?
 6. What do you understand by Economic Value Added (EVA) ? Why is EVA, as a measure of management performance, more appropriate for stable growth firms than high growth firms ?
 7. What do you understand by Offshore Financing ? Discuss the various ways through which companies can access offshore financing.
 8. Explain the following concepts in the context of Time Series Analysis :
 - (a) Decomposition Analysis
 - (b) Trend Analysis
 - (c) Seasonality
 - (d) Cyclical and Irregular Variations
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