

**MASTER OF BUSINESS ADMINISTRATION
(MBACT)**

Term-End Examination

June, 2013

**MCTE-037 : CORPORATE FINANCING
STRATEGY**

Time : 3 hours

Maximum Marks : 100

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

1. Do you think risk and return are the core criteria to evaluate an investment ? Discuss by giving suitable examples. 20
2. What are the advantages of convertible bonds ? Differentiate between yield to maturity and yield to call. 20
3. Merger and Acquisitions decisions are viewed as corporate restructuring decision, strategic decision, and investment decisions. Discuss by giving suitable examples. 20
4. Write short notes on the following : 5x4=20
 - (a) Venture Capital
 - (b) Weighted Average Cost of Capital
 - (c) Permanent Working Capital
 - (d) Capital Structure

5. Inventory provides cushion against demand side and supply side uncertainties. Comment. 20
 6. What is share buy back ? What are its advantages ? How do bonus shares and stock split affect shares price ? 20
 7. What is meant by valuation of a firm and why is it important ? 20
 8. Do you think the Debt-Equity ratio of a company's capital structure, effect its profitability ? Comment. 20
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