

**MASTER OF BUSINESS ADMINISTRATION
(MBACT)**

Term-End Examination

00875

December, 2014

**MCTE-037 : CORPORATE FINANCING
STRATEGY**

Time : 3 hours

Maximum Marks : 100

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

1. Walter's and Gordon's Models are based on same assumptions. Thus, there is no basic difference between the two models. Do you agree or not ? Why ? 20

2. Examine the role of bank credit in financing of working capital. What are the types of bank credit ? 20

3. Explain the following with examples :
 - (a) Financial Leverage 10
 - (b) Combined Leverage 10

4. Do you think the capital structure of a company has impact on its profitability ? Explain. 20
 5. "Valuation is the key element in evaluating a merger and acquisition." Comment. 20
 6. Derivatives are useful in containing financial risk. Do you agree with it or not ? Explain. 20
 7. Write short notes of the following : 20
 - (a) Venture Capital
 - (b) Operating Lease
 8. Discuss in detail the various types of financial instruments available in the Indian market. 20
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