

00334

**Ph.D. IN MANAGEMENT
(PHDMGMT)**

Term-End Examination

December, 2018

**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. What is risk ? What type of risk can be reduced by holding a large portfolio ? Under what conditions will combining two or more assets in a portfolio create diversification benefits ? Under what conditions will there be no benefits ?
2. What do you understand by Net Present Value (NPV) ? How is it computed ? Will the net present value of a project always drop when the discount rate is increased ? If not when might the NPV go up as the discount rate is increased.
3. Explain the Arbitrage Pricing Theory (APT). Why do the Capital Asset Pricing Model (CAPM) and Arbitrage Pricing Theory (APT) measure the undiversifiable risk differently ?

4. What do you understand by Options ? A protective Put is created when a long position in a stock is married to a long position in a put on that stock. What position in call options is equivalent to a protective put ?
 5. What do you understand by 'Financial Restructuring' ? Discuss the factors that prompts the corporates to go for financial restructuring.
 6. What do you understand by Relative Valuation ? Discuss the various multiples used for relative valuation.
 7. What do you understand by foreign exchange exposure ? Discuss the various techniques used to manage transaction exposure.
 8. Explain the following concepts in the context of Multiple Regression Analysis :
 - (a) R^2
 - (b) Multicollinearity
 - (c) Residual
 - (d) Stepwise regression
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