

MASTER OF BUSINESS ADMINISTRATION

Term-End Examination

December, 2022

**MMPF-002 : CAPITAL INVESTMENT AND
FINANCING DECISIONS**

Time : 3 hours

Maximum Marks : 100

Weightage 70%

Note : (i) Attempt any **five** questions.

(ii) All questions carry equal marks.

1. Discuss the nature of financial decisions and explain the inter-relationship among these decisions.
2. What do you understand by 'Cost of Capital' ? How is the cost of long-term debt and equity share capital computed ?
3. Discuss the distinguishing features of a project. Explain the concept of project life cycle and discuss the unique characteristics of each stage of project life cycle.

4. What is Capital Budgeting ? How are the cash flows for capital budgeting estimated ? Briefly explain the discounted cash flow techniques used for evaluating investment proposal.
 5. What is 'Project Control' ? Explain the types of control processes and specify the information requirement for application of each of these processes.
 6. Explain the following :
 - (a) Certainty Equivalents
 - (b) Monte Carlo Simulation
 7. Who are the Stakeholders of a company ? What type of information is demanded by the different stakeholders and in what aspects does this information differ for different stakeholders ?
 8. What is Corporate Restructuring ? Explain the dimensions of restructuring. How is merger assessed as a source of value addition ?
 9. What are the major global sources of financing a project ?
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