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**RMSE–001**

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

**Term-End Examination**

**December, 2023**

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

*Time : 3 Hours*

*Maximum Marks : 100*

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

(ii) *All questions carry equal marks.*

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1. Explain the conventional techniques of risk analysis in capital budgeting. Discuss the advantages and limitations of certainty equivalent approach.
2. What is a portfolio ? How is the portfolio return and risk calculated for a two security portfolio ? Explain the impact of diversification on portfolio risk and return.

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3. What are the factors that influence price of an option ? Explain how increase in risk free rate and decrease in volatility make an American put attractive if it is exercised early.
4. What is an ordinary share ? How does it differ from preference shares and debentures ? How would you account for the positive market value of a company's market share which currently pays no dividend ?
5. What is Foreign Exchange Exposure ? Explain the various kinds of foreign exchange exposures and briefly discuss the techniques to manage them.
6. Discuss and explain the various techniques used for accounting manipulations.
7. What is 'Financial Engineering' ? Explain the features of some of the debt securities developed through application of financial engineering.
8. What is Capital Structure ? What are the elements of an appropriate capital structure ? Discuss the need for flexible capital structure and explain the cost associated with flexible capital structure.