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**POST GRADUATE DIPLOMA IN GLOBAL  
BUSINESS LEADERSHIP  
(PGDGBL)**

**Term-End Examination  
June, 2012**

**MGBE-008 : STRATEGIC FINANCE :  
FORMULATIONS, APPRAISAL AND CONTROL**

*Time : 3 hours*

*Maximum Marks : 100*

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*Note : Attempt five questions including Q.1 which is compulsory. All questions carry equal marks.*

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**[Compulsory Question]**

1. How would you differentiate between ' Strategic Finance' and ' Financial Management' ? Which one of these is more important to the organisation and why ? Give atleast two examples of strategic finance to clarify your viewpoint. 20

*Attempt any four out of following six :*

2. State the meaning and process of 'merger' with the help of suitable Indian examples. How is the exchange ratio determined in case of merger of two entities ? 20

3. What is meant by 'weighted average cost of capital' ? Why is it computed ? How is the cost of retained earnings computed ? 20
  4. Briefly state various theories of dividend and their criticism. What factors determine the dividend policy of a firm ? 20
  5. State the meaning of 'capital budgeting' with appropriate examples. Briefly write about various capital budgeting appraisal techniques. Which method would you prefer and why? 20
  6. Explain the meaning of the term 'leverage' and its importance in strategic financial decision making. Explain various types of leverages and their inter-relationship, if any. 20
  7. Write short notes on *any two* of the following : 20
    - (a) Economic Value Addition
    - (b) Capital Asset Pricing Model
    - (c) Risk Measurement techniques
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