

QP CODE: 23004426



Reg No : .....

Name : .....

**M.Com DEGREE (CSS) EXAMINATION, JUNE 2023**

**Fourth Semester**

MASTER OF COMMERCE AND MANAGEMENT

**Core - CM020401 - STRATEGIC FINANCIAL MANAGEMENT**

2020 ADMISSION ONWARDS

9AF86C07

Time: 3 Hours

Weightage: 30

**Part A (Short Answer Questions)**

Answer any **eight** questions.

Weight **1** each.

1. Briefly explain the meaning of dividend decisions.
2. What do you understand by cost theory?
3. What is RMCP in the operating cycle?
4. What are the 5 C's of credit analysis?
5. What do you mean by inventory management?
6. Find out discounted payback period from the following data.

The cost of the project is Rs.60,000

Life of the project 5 years

Annual cash inflow of Rs. 20,000

Cut off rate 10 percent

The following are the present value factors at 10% p.a

Year	1	2	3	4	5
PV factor at 10%	0.9091	0.8265	0.7513	0.6830	0.6209

7. What is a depreciation tax shield?
8. What are the benefits of lease financing?
9. Explain the acid test ratio.
10. What is the creditors' turnover ratio?

(8×1=8 weightage)



### Part B (Short Essay/Problems)

Answer any **six** questions.

Weight **2** each.

11. A firm has sales of Rs. 75,00,000, Variable cost- 42,00,000, Fixed cost - 6,00,000. It has a debt of 45,00,000 at 9 percent and equity 55,00,000.
  - a) What is the firm's ROI?
  - b) Does it have a favourable Financial leverage?
  - c) If the Industry average asset turnover ratio is 3. Does it have a favourable asset turnover ratio?Compute OL, FL, CL.
12. Discuss various alternatives available in India for the firms to park their surplus cash.
13. Explain the problems in capital budgeting.
14. Explain the quantitative methods of risk and uncertainty analysis.
15. "Lease rental payments has great relevance in view of Amount, Time and Place". Comment on the statement.
16. Briefly discuss the framework for evaluation of lease from the view point of a lessor.
17. Explain different kinds of profitability ratios.
18. What are the ratios that can be used for assessing the asset quality of financial institutions?

(6×2=12 weightage)

### Part C (Essay Type Questions)

Answer any **two** questions.

Weight **5** each.

19. How can the point of difference be calculated? Illustrate with an example.
20. Discuss the various forms of dividends. What are the assumptions and criticism of MM hypothesis under dividend policy?
21. Why should inventory be held? Why is inventory management important? Explain the objectives of inventory management.
22. How can the probability theory be utilised in analysing the risk of investment projects? Illustrate.

(2×5=10 weightage)

