35525

Reg. No.

V Semester B.B.A. Degree Examination, March/April - 2023

BUSINESS ADMINISTRATION

Advanced Corporate Financial Management

(CBCS Scheme Freshers and Repeaters/Regular 2019-2020)

Paper : FN-5.5

Time : 3 Hours   Maximum Marks : 70

Instructions to Candidates:

Answers should be written in English only.

SECTION - A

Answer any FIVE Sub-questions. Each question carries Two marks. (5×2=10)

1. a) What is Annuity?

   b) Give the meaning of time value of money.

   c) Determine the present value of perpetuity Rs.1,20,000 per year for infinite period at an effective rate of interest of 12% p.a.?

   d) Give the meaning of chop-shop method.

   e) What do you mean by performance measurement?

   f) What is sale and lease back financing?

   g) State the meaning of EPS analysis?

SECTION - B

Answer any THREE questions. Each question carries Five Marks. (3×5=15)

2. Briefly explain the methods of corporate valuation.

3. Write the assumptions of McKinsey approach

4. Briefly explain the reasons for merger.

5. Calculate the present value of the following series of payments made at the end of each year for a period of five years at 8% Interest rate.

[P.T.O.

Cash flow at the end of 1st year Rs.4,000

Cash flow at the end of 2nd year Rs.5,000

Cash flow at the end of 3rd year Rs.6,000

Cash flow at the end of 4th year Rs.7,000

Cash flow at the end of 5th year Rs.8,000

SECTION - C

Answer any THREE questions. Each question carries Fifteen marks. (3×15=45)

6. What is valuation ? Explain the various concepts of value
7. What is Capital Restructuring ? Explain the types of Capital Restructuring strategies.
8. What is Acquisition? Explain the reasons for Acquisition.
9. From the following profit and loss A/c for the year ended 31-12-2019 and 31-12-2020. Prepare a comparative income statements:

Dr. P/L A/c Cr.

Particulars	2019	2020	Particulars	2019	2020
To Cost of goods sold	72,000	78,000	By sales	1,00,000	1,30,000
To Depreciation	5,000	6,000	By Dividend	20,000	10,000
To selling and Distribution.exp	8,000	12,000	By Interest on investments	10,000	
To Interest on debt	15,000	14,000			
To provision for taxation	15,000	15,000			
To Net profit	15,000	15,000			
	1,30,000	**1,40,000**		**1,30,000**	**1,40,000**