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PRESIDENCY UNIVERSITY

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester Mid Term, March 2026

Date: 10/03/2026

Time: 02:00 PM - 03:30 PM

Course Code: MAH2007

Course Name: Strategic Financial Management - I

Semester: Fourth Semester

Max. Marks: 50

Weightage: 50%

| CO - Levels | CO1 | CO2 |
|-------------|-----|-----|
| Marks | 46 | 44 |

PART-A: Answer Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|---|---|-----|-----|
| 1 | Describe the concept of vertical common size statements. | 2 | CO1 | BT2 |
| 2 | Identify the type of common size statements used for comparing a company's performance against its rival firms. | 2 | CO1 | BT2 |
| 3 | Differentiate between financial and operating leverage. | 2 | CO1 | BT2 |
| 4 | Provide the formula for receivable collection period. | 2 | CO2 | BT1 |
| 5 | Identify the exchange rates used for translating income statement items. | 2 | CO2 | BT1 |

PART-B: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|---|----|-----|-----|
| 6 | Sales of Alpha Corporation for the last three years were: \$500,000 in 2022, \$540,000 in 2023 and \$570,000 in 2024. Perform index value and variation analysis. | 10 | CO1 | BT3 |
| 7 | Discuss various factors to be considered when interpreting common size income statements. | 10 | CO1 | BT2 |

PART-C: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|--|----|-----|-----|
| 8 | Describe the following ratios: a) Current ratio | 10 | CO2 | BT2 |

| | | | | |
|---|---|----|-----|-----|
| | b) Quick ratio c) Cash ratio Provide the related formulas and associated application. | | | |
| 9 | Analyse the impact of the following events on inventory turnover period. a) A slowdown in trading b) A marketing decision to reduce prices c) Obsolete goods | 10 | CO2 | BT4 |

PART-D: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|---|----|-----|-----|
| 10 | Assume a company has the following capital structure: 8% Preferred stock 400 Common stock 100 The company reports net income of \$932 for the year and declares no dividends. Shares outstanding: 01-Jan-25 500 01-Jul-25 100 01-Oct-25 300 Calculate the basic EPS. | 10 | CO2 | BT3 |
| 11 | Explain the process of foreign currency translation. | 10 | CO2 | BT2 |

PART-E: Answer Any 1 Following Questions. 10 M

| Qn.No | Questions | M | CO | BT |
|-------|--|----|-----|-----|
| 12 | Discuss the limitations of ratio analysis. | 10 | CO1 | BT2 |
| 13 | Differentiate the accounting treatment under U.S. GAAP and IFRS. Provide suitable examples in your answer. | 10 | CO1 | BT2 |