



PRESIDENCY UNIVERSITY,
BENGALURU

SCHOOL OF MANAGEMENT

MID TERM EXAMINATION

Odd Semester: 2018-19

Course Code: FIN 303

Course Name: Strategic Financial Management

Branch & Sem: Finance & III Sem

Date: 26 October 2018

Time: 2 Hours

Max Marks: 40

Weightage: 20%

Instructions:

(i) All parts of the question paper are compulsory

Part A

Answer **all** the Questions. **Each** question carries **four** marks. (3x4=12)

1. Draw the diagram showing formulations of strategies.
2. Draw the diagram showing an approach to decision making.
3. Give four examples of companies that have developed innovative strategy and business model.

Part B

Answer **all** the Questions. **Each** question carries **eight** marks. (2x8=16)

4. Discuss the mistakes commonly committed in applying the DCF analysis.
5. What can be done to improve capital productivity.

Part C

Answer the Question. Question carries **twelve** marks. (1x12=12)

6. Discuss the notion of resource-allocation.

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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF MANAGEMENT

END TERM FINAL EXAMINATION

Odd Semester: 2018-19

Date: 29 December 2018

Course Code: FIN 303

Time: 3 Hours

Course Name: Strategic Financial Management

Max Marks: 80

Programme & Sem: MBA & III Sem

Weightage: 40%

Instructions:

- (i) Read the question properly and answer accordingly.
- (ii) Question paper consists of 3 parts.

Part A

Answer **all** the Questions.

(3Q=20)

1. Why are financing decisions, compared to investment decisions, relatively easier to make. (7M)
2. Discuss the rationale and objections to share buybacks. (7M)
3. Discuss the key guidelines for total cost management. (6M)

Part B

Answer **both** the Questions. **Each** question carries **fifteen** marks.

(2Qx15M=30)

4. What considerations should a firm bear in mind while formulating its dividend policy?
5. If $T_c = 5$ percent, $T_{PS} = 5$ percent, and $T_{PD} = 25$ percent, what is the tax advantage of unit of debt?

Part C

Answer **both** the Questions. **Each** question carries **fifteen** marks.

(2Qx15M=30)

6. Magnovex Company has an average cost of debt of 8 percent and a tax rate of 50 percent. The ROI is 14 percent. What financial leverage ratio should the company adopt, if its target ROE is 15 percent?
7. Consider the following data for Premier Limited
Selling price per unit = 1500
Variable cost per unit = 1000
Fixed operating costs = 10,000,000
Interest = 2,000,000
The company is currently producing and selling 100,000 units. Calculate the following degree of operating leverage, degree of financial leverage, and degree of total leverage.