

**SVKM's NMIMS**  
**NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION**

Programme: PGDFM

Academic year: 2014 – 2015  
Subject: Strategic Financial Management

Semester: IV  
Course : New  
Marks : 70  
Time: 3.00 p.m. to 6.00 p.m.

Date: 20.06.2014

**Instructions:**

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

**Q.1) Attempt any 2 out of 4**

**(Marks: 2X5=10)**

- a) Double Tax- Agreement
- b) Issues Concerning Transfer Pricing
- c) Explain Green Field Ventures
- d) Methods of Payment to Target Firm

**Q.2) Write short notes on (2 out of 5)**

**(Marks: 2X5=10)**

- a) Distinguish between Economic Value Added (EVA) and Market Value Added
- b) What is Corporate Strategy? Discuss the various strategies involved in any firm
- c) Bring out the success as well as the failure of Corporate Restructuring.
- d) What actions can be taken in situation of financial Distress?
- e) List out the reasons of the limited growth of Mergers in India.

**Q.3) Attempt any 3 out of 5**

**(Marks: 3X10=30)**

- a) Explain various types of Mergers.
- b) Distinguish between Net Income Approach and Net Operating Income Approach.
- c) Explain the relevance of cost of capital in capital budgeting.
- d) Explain Gordon Theory of Relevancy of Dividend Payout on Value of Firm.
- e) What are the different stages to be followed in turnaround strategy implementation?

**Q.4) Attempt both the questions**

**(Marks: 2X10=20)**

- a) What are the different stages in venture capital funding?
- b) The company has a cost of equity capital of 10%. The current market value of the firm is Rs.2000000 at 20 per share. Assume value for new investment is Rs.680000 earnings – Rs.150000 and dividend per share is Rs. 1. Show the effect of MM theory on value of firm.

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