



K25P 0855

Reg. No. :

Name :

IV Semester M.Com. Degree (C.B.C.S.S. – O.B.E. – Regular)

Examination, April 2025

(2023 Admission)

CMCOM 04E03 : STRATEGIC FINANCIAL MANAGEMENT

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any five** questions in this Section. **Each** question carries **3** marks. **(5×3=15)**

1. Mention different types of risks.
2. What are the valuation techniques for merger ?
3. What is demerger ?
4. What do you mean by payback period ?
5. What is debt-equity ratio ?
6. List out the techniques of Investment Appraisal.

SECTION – B

Answer **any three** questions in this Section. **Each** question carries **5** marks. **(3×5=15)**

7. Briefly explain the role of EVA in strategic financial management.
8. What are strategic merits and demerits of 'debt financing' ?
9. Mr. Roy bought 1000 equity shares of XYZ Co. Ltd. at a market price of Rs. 16 per share (face value = Rs. 10 per share) on April 2006. He received 20 percent dividend for the year 2007 – 08. Market price of the share increased by 5 percent by the end of 2006 – 07 and by 10 percent by the end of 2007 – 08. Calculate per annum return or cost of equity.

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10. Explain the concept of beta management.
11. What are the strategic factors influencing dividend policy ?

SECTION – C

Answer **any three** questions in this Section. **Each** question carries **10** marks. **(3×10=30)**

12. Explain the limitations of strategic financial management.
13. What are the major reasons for the valuation of a business enterprise ?
14. List out the objectives of portfolio management.
15. Briefly explain the features of strategic financial management.
16. Mr. Tempest has the following portfolio of four shares.

Name	Beta	Investment (Rs. in Lakh)
Oxy Rin Ltd.	0.45	0.80
Boxed Ltd.	0.35	1.50
Square Ltd.	1.15	2.25
Ellipse Ltd.	1.85	4.50

The risk free rate of return is 7% and the market rate of return is 14%. You are required to

- 1) Determine the portfolio return.
- 2) Calculate the portfolio beta.
