

**MASTER OF BUSINESS ADMINISTRATION  
(MBACT)**

**Term-End Examination**

**June, 2015**

00211

**MCTE-037 : CORPORATE FINANCING  
STRATEGY**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Answer any five questions. All questions carry equal marks.*

1. What are the possible reasons that money must have time value despite not being put to use ?  
Comment. 20
2. What is the required rate of return of a stock ?  
How can it be measured ? 20
3. What is meant by valuation of a firm and why is it important ? 20
4. Write short notes on the following : 4×5=20
  - (a) Cost of Capital
  - (b) Cash Management
  - (c) Capital Market
  - (d) Raising Finance

5. What are the factors that have led to an increase in the Merger and Acquisition activities worldwide ? Discuss in the light of recent mergers of Indian companies. 20
  
  6. With the help of a graph, explain the relationship between EBIT and EPS with changing financing plans. 20
  
  7. Define share buyback concept. What are its advantages ? How do bonus shares and stock split affect share prices ? 20
  
  8. Discuss in brief the various sources of raising short-term and long-term finance for the corporates. 20
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