



# Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)

Re-accredited with an 'A++' Grade by NAAC CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

## Continuous Internal Assessment Test I – August 2025

### V SEMESTER

**Class: III UG**  
**Major: B.Com (PA)**

**Time: 2 hours**  
**Maximum Marks: 60**

### 23BCPC10- Strategic Financial Management

#### Course Outcomes:

**CO1:** Understand the financial policies, strategic management and risk evaluation.

**CO2:** Gain insights on the theories of security valuation, portfolio management and securitization mechanism.

**CO3:** Develop an understanding on international financial management.

**CO4:** Acquire knowledge on the approaches and methods of corporate valuation.

**CO5:** Familiarize the concept of corporate restructuring and startup finance in India.

#### Part-A

**6x1=6**

#### Choose the correct answer

- The Price/Earnings (P/E) ratio is typically used to value:  
a. Bonds      b. Stock      c. Real Estate      d. Commodities **CO1 K2**
- Balanced funds have the following characteristics **CO1 K1**  
a. They consist of equity and bonds in equal proportion      b. They have moderate risk component  
c. They have above average growth potential      d. They have low risk
- Which offers profit potential without an amount of additional investment and risk **CO2 K1**  
a. Arbitrage Portfolio      b. They have moderate risk component  
c. They have above average growth potential      d. They have low risk
- Securitization is beneficial from the view point of investors also. The potential attractions includes which of the following? **CO2 K2**  
a. Ability to diversify into sectors of exposure that might not be available in the regular bond markets (for example, residential mortgages or project finance loans)  
b. Access to different (and sometimes superior) risk- reward profiles  
c. Access to sectors that are otherwise not open to them  
d. All of the above
- Which of the following benefits is not usually conferred by mutual funds? **CO3 K1**  
a. Diversified investment portfolio      b. Professional stock selection and asset management  
c. Tax benefits      d. Assured returns
- Identify the statement that applies to open-end mutual funds **CO3 K2**  
a. They do not redeem or issue shares      b. Shares of such funds are traded on organized exchanges  
c. Their price can't fall below the NAV      d. Exit from such funds involves selling shares to other investors.

#### Part- B

**3x6=18**

#### Answer ALL Questions

**Each answer should not exceed 400 words or two pages**

- a. What is security analysis and mention the need to carry it out? **CO1 K2**  
(Or)
- b. A Ltd has just declared a dividend of Rs 10 per share. (Dividend Ratio 100%) The RoE of the Company is 20% , while EPS has been Rs 40 per share. If the investor required rate of return is 20%, then what should be the price per share? **CO1 K3**
- a. Explain capital market theory. **CO2 K2**  
(Or)
- b. Bring out the process of portfolio management. **CO2 K2**
- a. List the advantages and disadvantages of mutual funds **CO3 K2**  
(Or)
- b. What is future contract and options. **CO3 K2**

#### Part-C

**3x12=36**

#### Answer ALL questions

**Each answer should not exceed 800 words or four pages**

- a. Explain the various kinds of risks. **CO1 K3**  
(Or)
- b. Elaborate the various techniques of security analysis. **CO1 K3**
- a. Describe the approaches to valuation of equity shares, preference shares and debentures. **CO2 K3**  
(Or)
- b. Securitization in India – Discuss. **CO2 K4**
- a. Explain mutual funds and its types. **CO3 K3**  
(Or)
- b. Describe the operations of derivative market in India. **CO3 K3**