



Humbat

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 A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – November 2025

V Semester

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

**Time: 3 Hours
Max. Marks: 100**

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

10 x 1 = 10

Choose the Correct Answer

1. What is strategic decision making? CO1 K1
 - a. A process of making routine decisions
 - b. A process of making decisions that affect the entire organization
 - c. A process of making decisions that are not critical to the organization
 - d. A process of making decisions that are only focused on short-term goals
2. VAR stands for CO1 K1
 - a. value at risk
 - b. Value added risk
 - c. Variance and risk
 - d. Value at return
3. What is the primary goal of security valuation? CO2 K1
 - a. To determine the market price of a security
 - b. To estimate the intrinsic value of a security
 - c. To predict future price movements
 - d. To identify undervalued securities
4. What is the primary goal of portfolio management? CO2 K1
 - a. To maximize returns
 - b. To minimize risk
 - c. To achieve a balance between risk and return
 - d. To invest in a single asset class
5. When was the first mutual fund introduced in India? CO3 K1
 - a. 1822
 - b. 1868
 - c. 1964
 - d. 1992
6. What is the difference between a forward contract and a futures contract? CO3 K1
 - a. A forward contracts to buy or sell a foreign currency at a fixed exchange rate at a future date
 - b. A forward contract is a customized contract, while a futures contract is a standardized contract
 - c. A forward contract is traded on an exchange, while a futures contract is traded over-the-counter
 - d. A forward contract is used for hedging, while a futures contract is used for speculation
7. What is the primary goal of interest rate risk management? CO4 K1
 - a. To maximize returns
 - b. To minimize risk
 - c. To optimize cash flows
 - d. To manage foreign exchange exposure
8. What is the impact of higher interest rates on corporate valuation? CO4 K1
 - a. Increases valuation
 - b. Decreases valuation
 - c. No impact on valuation
 - d. Depends on the industry
9. Which of the following is a type of merger? CO5 K1
 - a. Horizontal merger
 - b. Vertical merger
 - c. Conglomerate merger
 - d. All of the above
10. How do startups typically finance their growth? CO5 K1
 - a. Through venture capital and angel investments
 - b. Through debt financing
 - c. Through initial public offerings (IPOs)

Part B
Answer ALL questions

5 x 6 = 30

Each answer should not exceed 400 words or two pages

- 11.a. Enumerate the evaluation of financial risk. CO1 K1
(or)
- 11.b. What do you mean by technical analysis? State the assumptions of technical analysis. CO1 K1
- 12.a. Discuss the discount rate selection in cash flows. CO2 K2
(or)
- 12.b. Illustrate the Capital Market Theory. CO2 K2
- 13.a. Explain how simulation can be used in international capital budgeting. CO3 K4
(or)
- 13.b. Point out the different approaches of option valuation. CO3 K4
- 14.a. Explain the various concepts of valuation. CO4 K3
(or)
- 14.b. Write a short note on CO4 K3
i) EVA ii)MVA iii)SVA
- 15.a. Summarize the sources of start up funding. CO5 K4
(or)
- 15.b. What is Acquisition? Explain. CO5 K4

Part C
Answer ALL questions

5 x 12 = 60

Each answer should not exceed 800 words or four pages

- 16.a. Elaborate various types of risk faced by an organisation. CO1 K1
(or)
- 16.b. Elucidate the Efficient Market of Hypothesis Analysis. CO1 K1
- 17.a. Discuss the various ways of valuation of bonds and debentures. CO2 K2
(or)
- 17.b. What is securitization? Illustrate the problems in securitization. CO2 K2
- 18.a. List out the merits and demerits of mutual funds. CO3 K3
(or)
- 18.b. Explain the objectives of effective cash management. CO3 K3
- 19.a. Explain with example the process of determining the risk and expected return of portfolio. CO4 K4
(or)
- 19.b. Explain the CAPM and how does it help in the estimation if expected return of a security? CO4 K4
- 20.a. Explain the broad areas of corporate restructuring. CO5 K4
(or)
- 20.b. Discuss the various forms of financing a merger. CO5 K4
