



# 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 – II October 2025 Semester – V

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

Time : 2 Hrs.  
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

1. Exchange rates are determined primarily by CO3K1  
a) Demand and supply forces b) Government subsidies  
c) Employee wages d) Auditing standards
2. A forward contract in foreign exchange is: CO3K2  
a) A standardized contract traded on exchange b) A customized OTC agreement  
c) A government-issued contract d) A tax-saving scheme
3. Which derivative is most commonly used to hedge interest rate risk? CO4K2  
a) Currency swap b) Interest rate swap  
c) Futures on commodities d) Options on equity
4. Relative valuation is based on: CO4K3  
a) Discounted cash flows b) Market multiples comparison  
c) Asset replacement value d) Intrinsic net worth
5. A leveraged buyout (LBO) is financed mainly through CO5K2  
a) Equity shares b) Debentures only  
c) Borrowed funds (debt) d) Government subsidies
6. Which initiative promotes innovation and funding for startups in India? CO5K3  
a) Digital India b) Make in India c) Start-up India d) Skill India

#### PART – B

(3x6=18)

#### Answer all questions.

Each answer should not exceed 400 words or two pages.

7. a) Explain the importance of hedging in managing currency risk. CO3K1  
(Or)
7. b) Discuss objectives of multinational receivable management. CO3K2
8. a) Differentiate between asset-based and earning-based valuation models. CO4K2  
(or)
8. b) What is interest rate risk? Explain the various types of interest rate risk. CO4K3
9. a) What are takeover defensive tactics? Illustrate with examples. CO5K2  
(Or)
9. b) Differentiate between Merger and Acquisition. CO5K3

#### PART – C

(3x12=36)

#### Answer all questions

Each answer should not exceed 800 words or four pages

10. a) Evaluate the objectives and techniques of Multinational Cash Management. CO3K2  
(or)
10. b) Define transaction, translation, and economic exposures with examples. CO4K2
11. a) Explain how International Financial Management facilitates effective financial decision-making in the operations of a Multi-National Corporation. CO3K2  
(or)
11. b) Analyze various types of corporate restructuring strategies with examples. CO5K3
12. a) Discuss Shareholder Value Analysis (SVA) as a tool of corporate performance measurement.