



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

1. The Price/Earnings (P/E) ratio is typically used to value:
a. Bonds b. Stock c. Real Estate d. Commodities **CO1 K2**
2. 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
3. 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
4. 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
5. 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
6. 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

- 7.a. What is security analysis and mention the need to carry it out? **CO1 K2**
(Or)
- 7.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**
- 8.a. Explain capital market theory. **CO2 K2**
(Or)
- 8.b. Bring out the process of portfolio management. **CO2 K2**
- 9.a. List the advantages and disadvantages of mutual funds **CO3 K2**
(Or)
- 9.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

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