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Total No. of Printed Pages: 1

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**M. Com. (Semester – 1<sup>st</sup>)**  
**STRATEGIC FINANCIAL MANAGEMENT**  
**Subject Code: MCOM1-102**  
**Paper ID: [210102]**

**Time: 03 Hours**

**Maximum Marks: 60**

**Instruction for candidates:**

1. Section A is compulsory. It carries 16 marks. It consists of 4 questions of 4 marks each.
2. Section B consist of 4 questions of 8 marks each. The student has to attempt any 3 questions out of it.
3. Section C consist of 3 questions of 10 marks each. The student has to attempt any 2 questions.

**Section – A**

**(4 marks each)**

- Q1. Define "Efficient Markets" and briefly explain the three forms of market efficiency.
- Q2. Can you provide a definition of mergers and acquisitions and elucidate the distinguishing characteristics between the two?
- Q3. Define IPO underpricing and briefly explain why it often occurs in the initial public offering (IPO) process
- Q4. What is the definition of Free Cash Flows to the Firm (FCFF), and why is it regarded as a fundamental metric in the realms of corporate finance and valuation?

**Section – B**

**(8 marks each)**

- Q5. Discuss the different tests used for return predictability in financial markets. Provide examples of each test.
- Q6. Define the Black-Scholes model for option pricing and outline its key assumptions.
- Q7. Discuss the determinants of corporate leverage, including factors such as industry characteristics, tax considerations, and business risk.
- Q8. Compare and contrast the concepts of sell-off, spin-off, demerger, and reverse merger. Provide examples of each type of corporate restructuring transaction.

**Section – C**

**(10 marks each)**

- Q9. Explain how event studies are conducted and how they are used to test for market efficiency. Discuss the implications of event study findings for investors and financial decision-makers.
- Q10. Evaluate the implications of different dividend policies on firm value, growth opportunities, and long-term sustainability. Discuss how managerial incentives should be considered in determining an optimal dividend policy for a given firm.
- Q11. Discuss the steps involved in using the Capitalized Earnings Method, including the determination of maintainable earnings, selection of an appropriate capitalization rate, and calculation of the business value.