**Roll No……..…..** **Total No. of Printed Pages: 1**
**Total No. of Questions: [11]**

**M. Com. (Semester – 1st)**
**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.