

MBFM 3001 R

M.B.A. DEGREE EXAMINATION, MAY 2026.

Third Semester

Finance Management

STRATEGIC FINANCIAL MANAGEMENT

(2023 Regulation)

Time : Three hours

Maximum : 75 marks

PART A — (5 × 4 = 20 marks)

Answer any FIVE questions.

1. State the objectives of Financial Management.
2. Discuss the different types of financial models.
3. State the sources of risk.
4. How to classify the different types of merger?
5. Describe the objectives of corporate restructuring.
6. Briefly describe the financial evaluation from lessee's point of view.

the practice of recognizing an equal proportion of the revenue with the publication of every issue". The committee members were wondering what will be the effect on the reported net income if the company changes its existing method of revenue recognition.

(a) Give your opinion on the existing method of revenue recognition by Wisdom Publishing Company.

(b) What will be the effect on net income if the company changes its existing method?

7. Analyze the methods of venture financing.

8. Elaborate the features of preference shares.

PART B — (5 × 8 = 40 marks)

Answer any FIVE questions.

9. What are the steps to be involved in strategic planning process?

10. State the various techniques of financial modeling.

11. Analyze the techniques of investment decision.

12. Discuss in brief the legislation applicable to mergers and takeovers in India.

13. Discuss the important reasons for mergers.

14. Bring out the relationship between the lessor and lessee.

15. Analyze the development of venture capital in India.

16. How does differ a convertible security and a warrant?

PART C — (1 × 15 = 15 marks)

17. Case Study (Compulsory)

The interim financial statements were presented to the management committee of the Wisdom Publishing Company. While going through these statements, one of the members noticed that the income statement is based on the assumption that the revenue is earned with the publication of the every issue of the company's magazine. He wondered what is basis of this assumption.

The Wisdom Publishing Company publishes a monthly magazine entitled Simplest. During recent years the readership of the magazine has increased like any thing. The management committee is happy about the enhancement of readership and also the better financial health of the organization.

When the committee member questioned the basis of the timing of recognition of revenue, it was pointed out by the finance manager that "In magazine publishing industry, the timing for recognition of revenue could either be based on the cash sale of the magazine subscription or the publication of the magazine every month. Thirdly, we may also recognize a portion of the revenue with cash sale and a portion with the publication of the magazine. We decided to follow