



QP CODE: 25047517



25047517

Reg No :

Name :

M.Com DEGREE (CSS) EXAMINATION, NOVEMBER 2025

Third Semester

Core Course - CM010301 - STRATEGIC FINANCIAL MANAGEMENT

M.Com FINANCE AND TAXATION ,M.Com MARKETING AND INTERNATIONAL BUSINESS
,M.Com MANAGEMENT AND INFORMATION TECHNOLOGY

2019 ADMISSION ONWARDS

26BACDE8

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

Weight 1 each.

1. Explain risk return trade off.
2. What is dividend payout ratio?
3. What is FSN analysis?
4. Calculate the inventory turnover ratio and conversion period, from the following
Opening stock Rs100000
Closing stock Rs 240000
Material consumed Rs 510000
Assume 360 days of working.
5. Write short on 'Desirability factor'.
6. Write a note on Sensitivity Analysis.
7. What is Leveraged lease?
8. How will you calculate break even lease rental?What is the decision rule in lease evaluation?
9. What is Yield Ratio?
10. Explain the assessment of management efficiency through CAMEL model.

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

Weight 2 each.

11. Discuss the theories of capitalisation.





12. Syama Ltd. is considering the following plans
Plan I – 50% Equity and 50% Preference shares (9% dividend)
Plan II – 50% Equity and 50% Debt (12% interest)
Plan III – 100% Equity
Anticipated Funds requirement ₹ 20,00,000
Tax rate 35%
Determine Financial Break even points for each plan.
13. What is optimum cash balance and how can it be arrived at?
14. Name various factors influencing the size of receivables.
15. Explain relevance of Time value of money in investment decision.
16. A manager is trying to decide which of three mutually exclusive projects to undertake. Each of the projects could lead to varying net profits which are classified as outcomes I, II and III. The manager has constructed the following pay-off table or matrix (a conditional profit table). Net profit if outcome turns out to be :
- | Project | I | II | III |
|-------------|--------|--------|--------|
| A | 50,000 | 65,000 | 80,000 |
| B | 70,000 | 60,000 | 75,000 |
| C | 90,000 | 80,000 | 55,000 |
| Probability | 0.2 | 0.6 | 0.2 |
- Which project should be undertaken?
17. Write notes on structuring of lease rentals.
18. Write a note on Liabilities Approach Method.

(6×2=12 weightage)

Part C (Essay Type Questions)

Answer any **two** questions.

Weight 5 each.

19. Companies A and B are identical in all respects including risk factors except capital structure. A issued only equity shares and B issued 10% debentures of ₹ 9,00,000. Both the companies earn 20% before interest and taxes on their assets to ₹ 15,00,000. If capitalisation rate 15% for an equity firm and tax rate 50%. Compute the values of the firms A and B using.
1. NI Approach
 2. NOI Approach
20. Explain the different approaches used for determining an appropriate working capital financing mix.
21. Compare the methods of NPV and PI methods for evaluating investment proposals. Which is superior in your opinion ? Justify with suitable examples.





22. Prepare Trading and P&L Account and Balance Sheet from the following details

Gross Profit Ratio	25%
Net Profit Ratio	20%
Sales/Inventory	8
Fixed Assets to Current Assets	0.75 : 1
Fixed Assets to Total Capital	1.50 : 1
Capital to Current Liabilities	0.40 : 1
Fixed Assets	₹ 7,50,000
Closing Stock	₹ 1,00,000

(2×5=10 weightage)

