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V Semester B.B.A. Degree Examination, April - 2022

BUSINESS ADMINISTRATION

Advanced Corporate Financial Management

(CBCS Scheme)

Paper : 5.5

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written in english only.

SECTION -A

1. Answer any Five sub-questions. Each sub-question carries Two marks. (5×2=10)
- What is a Financial Statement.
 - Define Annuity.
 - What do you mean by valuation?
 - What is Strem-Stewart approach?
 - Give the meaning of Capital Structure.
 - What do you mean by Securitization?
 - What is Merger?



SECTION -B

Answer any Three questions. each question carries Five marks. (3×5=15)

- Explain the elements of Business valuation.
- Write a note on Marakon Model of Shareholder value creation.
- Mr. Praveen is considering to purchase 20% Rs 2,000 preference share redeemable after 6 years at par. What should he be willing to pay now to purchase the share assuming that the required rate of return is 14%.
- Explain the reasons for Merger.

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SECTION - C

Answer any Three questions. Each question carries Fifteen marks. (3 × 15 = 45)

6. Following is the details of Dev Ltd. as on 31/3/2018, 31/3/2019 and 31/3/2020. you are required to prepare the comparative balance sheet showing the trend of the financial position.

Particulars	31/3/2018	31/3/2019	31/3/2020
Share Capital	15,00,000	18,00,000	20,00,000
Reserves and Surplus	1,50,000	3,00,000	1,75,000
8% Debentures	45,000	90,000	40,000
Long term Bank Borrowings	2,00,000	2,50,000	2,00,000
Creditors	1,25,000	1,50,000	10,000
Bills payable	45,000	60,000	5,000
Bank Overdraft	12,500	15,000	2,500
Total Liabilities	20,77,500	26,65,000	24,32,500
Fixed Assets	14,50,000	17,50,000	21,75,000
Building Furniture	2,00,000	4,40,000	40,000
Current Assets			
Stock	1,00,000	1,85,000	1,10,000
Debtors	1,45,000	1,70,000	1,05,000
Cash	1,82,500	1,20,000	2,500
Total Assets	20,77,500	26,65,000	24,32,500

7. What is Corporate valuation? Explain the method of corporate valuation.
8. What is performance measurement? Explain the steps in performance measurement System.
9. Explain advantages and disadvantages of Merges and Acquisition.