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Total Number of Pages: 02

Course: MBA  
Sub\_Code: MBPC4003

4<sup>th</sup> Semester Regular Examination: 2025-26  
 SUBJECT: STRATEGIC FINANCIAL MANAGEMENT  
 BRANCH(S): BA, FM, FM&HRM, GM, HCHM, HRM, LSCM, MBA, MM, RM

Time: 3 Hours

Max Marks: 100

Q. Code: V032

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II, and any two from Part-III.

The figures in the right hand margin indicate marks.

## Part-I

Q1 Answer the following questions:

(2 x 10)

- Define strategic financial management.
- What is Risk Adjusted Discount Rate (RADR)? When do you use this?
- Define Merger and De-merger with examples.
- What do you mean by balancing financial goals and sustainable goals?
- What are CBO and MBO?
- What is meant by Spin offs and asset divestiture?
- What is Yield to Maturity (YTM)?
- What is due diligence? Who goes for this?
- What is employee buyout (EBO)?
- Define value chain analysis.

## Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

(6 x 8)

- Explain the interface between financial policy and corporate strategy.
- Discuss the concept of bond valuation.
- Explain Enterprise Value to EBITDA multiple.
- What are the purposes of mergers and acquisitions?
- Explain takeover defenses.
- What is reverse merger? Explain with examples.
- Discuss scenario analysis in risk evaluation.
- Explain sensitivity analysis with example.
- What is life cycle costing?
- Explain refinancing as a financing strategy.
- What is downsizing? What are its positive and negative effect?
- Explain strategic control in cost management.

**Part-III**

**Only Long Answer Type Questions (Answer Any Two out of Four)**

- Q3** Discuss various methods of valuation of enterprises. Explain the use of P/E ratio, Market-to-Book ratio, and EV/EBITDA in valuation with examples. **(16)**
- Q4** Explain the complete process of mergers and acquisitions. Discuss legal and regulatory requirements and highlight the major causes of M&A failures. **(16)**
- Q5** Discuss corporate risk analysis techniques under uncertainty. Explain RADR, simulation method, and their practical applications in investment decisions. **(16)**
- Q6** Discuss financing strategies adopted during financial distress. **(16)**

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Course: MBA  
Sub\_Code: MBPC4004

4<sup>th</sup> Semester Regular Examination: 2025-26  
SUBJECT: BEHAVIOURAL FINANCE  
BRANCH(S): BA, FM, FM&HRM, GM, HCHM, HRM, LSCM, MBA, MM, RM  
Time: 3 Hours  
Max Marks: 100  
Q.Code: V131

Answer Question No.1 (Part-I) which is compulsory, any eight from Part-II, and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions: (2 x 10)

- Define Behavioural Finance. How does it differ from Conventional (Traditional) Finance?
- What is the 'Rational Markets Hypothesis'? State one assumption it makes about investors.
- What is 'Bounded Rationality'? Who introduced this concept, and what does it imply about decision-making?
- What is the 'Endowment Effect'? Give a brief example.
- What is 'Mental Accounting'? Does it lead to irrational financial behaviour?
- What is 'Loss Aversion'?
- Who propounded 'Prospect Theory'? Name its key components.
- What is 'Transitive preferences'? Explain with example.
- Who is an average investor?
- What is 'Neurofinance'? Why is it considered a future direction in Behavioural Finance?

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- What is snake bite effect? What happens to the individual investors affected by snake bite effect?
- Discuss the Heuristics in investor decision-making.
- What are 'Investor Sentiments'? How do fear and greed drive market cycles?
- Explain 'Emotional Bias' in the context of investment decisions.
- What is 'Overconfidence Bias'? How does it manifest in financial markets?
- What are status quo and endowment biases? Give example of such biases.
- What are the characteristics of different types of investors?

- h) Do you agree that women are susceptible to make overconfidence bias? Write your answer with justifications.
- i) What is cognitive dissonance? Explain with practical examples.
- j) Discuss the general tendencies of the investors during upward and down movements of market.
- k) What is confirmation bias? Explain with examples.
- l) What are the key ingredients to be a successful investor?

### Part-III

#### Only Long Answer Type Questions (Answer Any Two out of Four)

- Q3** Suppose you have purchased 100 shares each of the two stocks A and B at the rate of Rs. 400 and Rs. 100 respectively. In the first year, the rate of A has become Rs. 220 and that of B Rs. 320. You need Rs. 40,000 suddenly to meet some medical emergency. You want to dispose certain shares. Explain the best course of action with proper assumptions and justifications. **(16)**
- Q4** Discuss the emotional stages which an investor generally goes through in his investment path. **(16)**
- Q5** Analyse investor sentiment, market bubbles, and the effect of external influences on stock market behaviour. **(16)**
- Q6** How does Behavioural Corporate Finance explain managerial decision-making? Give two examples of how CEO's overconfidence or optimism leads to value-destroying corporate actions. **(16)**