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QP CODE: 25022490

Reg No :

Name :

M.Com DEGREE (CSS) SPECIAL REAPPEARANCE EXAMINATION, APRIL 2025

Third Semester

CORE - CM010301 - STRATEGIC FINANCIAL MANAGEMENT

M.COM FINANCE AND TAXATION (SF), M.COM FINANCE AND TAXATION, M.COM
MANAGEMENT AND INFORMATION TECHNOLOGY (SF)

2019 ADMISSION ONWARDS

E856415F

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

*Weight **1** each.*

1. Define Capital Gearing.
2. How to measure the Financial leverage and operating leverage?
3. What is default cost?
4. What is EOQ?
5. Which are the kinds of capital budgeting decisions?
6. Write short notes on 'Terminal Value method'
7. What is Sales and Lease?
8. Discuss briefly internal rate of return method of lease evaluation.
9. What do you mean by Proprietors Net Capital Employed?
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. 'Strategic Financial management is different for different entities' Discuss with the elements of strategic financial management.
12. State the essentials of Net Income theory and list out the assumptions.
13. What are the objectives of cash management? Explain the factors determining the level of cash in a firm.
14. From the following you are required to calculate:
a. Debtors turnover and b. Average age of debtors.

	2015	2016
Net sales (Rs)	1500000	1800000
Debtors at the beginning (Rs)	160000	172000
Debtors at the end (Rs)	172000	234000

15. What are its limitations of ARR?
16. What are the importance Sensitivity Analysis?
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. Briefly explain the dividend policies with suitable example.
20. "Inadequate working capital is disastrous, whereas redundant working capital is a criminal waste". Do you agree? Explain with suitable examples.
21. *X Ltd. gives the following details regarding cash inflows and outflows of a project.*

Year	Cash outflow	Cash inflow
0	15,00,000	0
1	3,00,000	5,00,000
2	0	5,00,000
3	0	4,00,000
4	0	3,00,000
5	0	3,00,000





The salvage value at the end of the project is estimated as Rs. 4,00,000. Assuming a hurdle rate of 10%, calculate net present value.

Present value factors at 10% are given as follows.

Year	1	2	3	4	5
PVF	.909	.826	.751	.683	.621

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)

