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**Gandhi Institute of Engineering and Technology University, Odisha, Gunupur
(GIET UNIVERSITY)**



**M.B.A. (Third Semester) Regular Examinations, November – 2025
23MBAFN23011 – Strategic Corporate Finance
(MBA- Finance)**

Time: 3 hrs

Maximum: 60 Marks

(The figures in the right hand margin indicate marks.)

PART – A**(2 x 5 = 10 Marks)**Q.1. Answer *ALL* questions

	CO #	Blooms Level
a. Explain about EVA	CO1	K2
b. Write down the methods of calculating of purchase consideration?	CO2	K2
c. Write down the meaning of sunk cost?	CO3	K1
d. Define debt-equity ratio.	CO4	K2
e. Write down the types of business valuation?	CO4	K2

PART – B**(10 x 5 = 50 Marks)**Answer *all the* questions

	Marks	CO #	Blooms Level
2. a. How can a company aiming to maximize shareholder wealth? Explain.	5	CO1	K2
b. Discuss the significance of adopting financial strategy for shareholder wealth maximization.	5	CO1	K3
OR			
c. Analyse traditional costing and strategic costing techniques. Discuss how each method affects decision-making in terms of cost management and pricing strategies.	10	CO1	K3
3. a. Calculate the amount of purchase consideration from the following information: The Purchasing company agreed to issue 8,000 equity shares of ₹10 each at par, 500, 8% preferential shares of Rs 100 each at 10% premium, 1000 Debentures of Rs 50 each at 10% discount and pay cash equal to 10% of total purchase consideration.	10	CO2	K5
OR			
b. Describe the process of establishing the feasibility of a management buy-out	5	CO2	K4
c. Differentiate between a Management Buy-out (MBO) and a Management Buy-in (MBI).	5	CO2	K3
4. a. Initial Cash outflow: ₹ 8,00,000 Life of the asset is 5years, Estimated net annual cash flows: 1st year = ₹ 1,50,000 2nd year = ₹ 2,00,000 3rd year = ₹ 3,00,000 4th year = ₹ 2,00,000. 5 th Year = ₹ 300,000. Make a cash flow diagram and Calculate the IRR.	10	CO3	K6
OR			
b. Explain different types of long-term investment decisions.	10	CO3	K3

5. a. Explain in detail about the sources of fundraising for a business 10 CO4 K3
- OR
- b. Discuss the relationship between the cost of capital and capital structure. How can a company minimize its cost of capital? 5 CO4 K3
- c. How can a company minimize its cost of capital? 5 CO4 K2
6. a. Explain the various reasons why business enterprises undergo valuation. How does valuation impact decision-making for mergers, acquisitions, investments, and financial reporting? 10 CO5 K3

OR

- b. Kaniko seeds Ltd. going to sale its business. Therefore , You need to calculate its business value by using the Net Asset Value Method. 10 CO5 K6

The following is the company's Balance Sheet as of 31st December 2024:

Assets	Amount (₹)	Liabilities	Amount (₹)
Land and Building	12,00,000	Creditors	4,00,000
Plant and Machinery	8,00,000	Outstanding Expenses	1,00,000
Furniture and Fixtures	2,00,000	Long-term Loan	12,00,000
Inventory	4,00,000	Total outsider Liabilities	17,00,000
Debtors	3,00,000		
Cash and Bank	1,00,000		
Balance			
Total Assets	30,00,000		

Additional information:

Land and Building increased by ₹6,00,000, Plant and Machinery decreased by ₹2,00,000, expected bad debt should be 20%. Discount allowed by creditors 15%. Kaniko seeds Ltd. has 50,000 equity shares.

End of Paper