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



Ph.D. (First Semester-Summer) Examinations, December – 2025  
**23SPPEMB1013 – ADVANCED FINANCIAL MANAGEMENT**  
(Management)

Time: 3 hrs

Maximum: 70 Marks

**The figures in the right hand margin indicate marks.**

<b>Answer ANY FIVE Questions.</b>	<b>(14 x 5 = 70 Marks)</b>	<b>Marks</b>
1.a. Firms issue debt at lower interest rates compared to the required return on equity. Does this imply that firms are not operating at optimal capital structure? Explain.		8
b. Discuss the advantages and limitations of NPV and IRR methods.		6
2. What is structured finance? Give examples of structured products.		14
3.a. Explain the role of credit rating agencies in India and describe the functions of CRISIL and CRISIL's credit rating system.		7
b. Explain Modigliani-Miller (MM) Proposition I & II with real-world relevance.		7
4. Describe the major tools and techniques of capital budgeting along with valuation procedures.		14
5.a. Describe various funding strategies used by pharmaceutical companies with suitable examples.		7
b. Explain the concept of junk bonds with an example.		7
6.a. Critically evaluate recent reforms introduced in the Indian banking sector.		7
b. What are stock indices? Describe how indices are calculated in NSE and BSE.		7
7. Explain the role of Mutual Funds (MFs) and Investment Bankers in the stock market.		14
8.a. Explain the process of Initial Public Offering (IPO) and its stages.		7
b. What is algorithmic trading? Discuss its advantages and risks.		7

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