

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: MBA
BRANCH: MBA**

**SEMESTER: III
SESSION: MO/2023**

SUBJECT: MT506 CORPORATE FINANCE

TIME: 03 Hours

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
 2. Attempt all questions.
 3. The missing data, if any, may be assumed suitably.
 4. Tables/Data handbook/Graph paper etc., if applicable, will be supplied to the candidates
-

			CO	BL
Q.1(a)	Define Efficient Market Hypothesis (EMH). Explain major contribution of EMH in understanding financial markets.	[5]	1	1
Q.1(b)	Explain Capitalization Cost with examples. Explain whether Trademarks and Patents are capitalized and why?	[5]	1	1
Q.2(a)	What is Scenario Analysis? Explain how Scenario Analysis works.	[5]	2	2
Q.2(b)	How is Scenario Planning applied to achieve financial and strategic goals of an organization?	[5]	2	2
Q.3(a)	Explain Equivalent Annual Annuity Approach for ranking of projects.	[5]	3	1
Q.3(b)	Cube Ltd wanted to know their net present value of cash flow if they invest \$2,00,000 today. Their initial investment in the project is \$120,000 for the 3 years of time, and they are expecting the rate of return is 10 % yearly. From the above available information, calculate the NPV.	[5]	3	4
Q.4(a)	Explain the types of transactions under Mergers and Acquisitions (M&A).	[5]	4	1
Q.4(b)	Discuss some real-world Conglomerates built through the process of Mergers and Acquisitions.	[5]	4	3
Q.5(a)	Explain key difference between Economic Value Added and Market Value Added with suitable examples.	[5]	5	3
Q.5(b)	Company Z Mart generated after-tax net profits amounting to \$300,000 in 2021. The amount of capital the company invested was \$3million (3000,000) at an average cost of capital of 7.5%. Calculate ZMart's EVA.	[5]	5	4

:::::01/12/2023 M:::::