



**PAU-161100020307**

Seat No. \_\_\_\_\_

**M. B. A. (Sem. III) (CBCS) Examination**  
**October/November - 2018**  
**Financial Decision Analysis & Corporate**  
**Restructuring**

Time : 3 Hours]

[Total Marks : 70

- 1 What is capital structure? Explain the characteristics of ideal capital structure and the factor affecting capital structure. 14
- 2 What do you mean by corporate restructuring ? Explain different forms of corporate restructuring. 14

**OR**

- 2 (a) What is dividend policy ? Explain different types of dividend policy. 7
- (b) What is lease ? Explain the types of lease. 7
- 3 KPMG Ltd. currently has an all equity capital structure consisting of 15,000 equity shares of Rs. 100 each. The management is planning to raise another Rs. 25,00,000 to finance a major expansion programme and is considering three alternative methods of financing. 14
- (1) To issue 25,000 equity shares of Rs. 100 each
- (2) To issue 25,000, 8% debentures of Rs. 100 each
- (3) To issue 25,000, 8% preference shares of Rs. 100 each
- The company's expected EBIT will be 8,00,000. Assuming a corporate tax rate of 25%, determine the EPS in each financial plan and determine the best one and why ?

**OR**

- 3 (a) What is project finance ? Explain the concept of project finance. 7
- (b) What is friendly takeover ? And what are advantages to overcome of hostile takeover ? 7

- 4 What is hire purchase ? Explain advantages and disadvantages of hire purchase. 14
- OR**
- 4 Explain the various classes of growth opportunities with examples wherein Mergers and Acquisitions route used in current financial year 2018-19. 14
- 5 Write short note on : (any two) 14
- (1) Dividend Discount Model
  - (2) Management Buyout
  - (3) Joint Venture
  - (4) Takeover Tactics.
-