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T.Y.B.B.A. (NCF-NEP) (Sem. - V) Examination October - 2025

Strategic Financial Management

Time: 2 Hours] **[Total Marks: 50**

સૂચના : / Instructions

(1) ઉપરોક્ત દર્શાવેલ વિગતો ઉત્તરવહી પર અવશ્ય લખવી.
Fill up strictly the above details on your answer book

Seat No.:

Student's Signature

Q. 1. Answer in brief. (Any Five) **10**

1. Define Strategic Financial Management.
2. Classify projects based on purpose.
3. Define Project Management.
4. Which are the major costs of a Project?
5. What is financial risk?
6. What is Enterprise Value?
7. What is Corporate Restructuring?

Q. 2. Explain the meaning, process and techniques of Financial Restructuring. **14**

OR

Q. 2. a. Explain the process of Financial Planning. **07**

b. Discuss the discounted cash flow techniques used in project appraisal. **07**

Q. 3 KGF Corporation is considering a project having investment outlay of Rs. 70,000. There is a 0.4 probability that CFAT will be Rs. 30,000 and 0.6 probability that CFAT will be Rs. 50,000 from the project in year 1. **14**
Probabilities and Expected CFAT for year 2 are as follows:

	CFAT (Rs.)	Probability	CFAT (Rs.)	Probability
Year 1	30,000	0.4	50,000	0.6
Year 2	20,000	0.2	40,000	0.4
	25,000	0.3	50,000	0.5
	30,000	0.5	60,000	0.1

(1) Construct a Decision tree for the proposed investment project.
(2) What NPV will the project yield if the worst outcome is realised? What is the probability of occurrence of this NPV?
(3) What NPV will the project yield if the best outcome is realised? What is the probability of occurrence of this NPV?
(4) Determine whether project should be accepted or not.

OR

Q. 3. a. ABC company is considering one of the two mutually exclusive projects P and Q which requires cash outflow of Rs. 5,00,000 and Rs. 7,00,000 respectively. **07**

Current yield on government bond is 5% and risk premium is 3%. Following are the expected cash flows.

Year	**Project P** CFAT (Rs.)	**Project Q** CFAT (Rs.)
1	2,00,000	3,00,000
2	3,00,000	4,00,000
3	4,00,000	5,00,000

Which project should be selected as per NPV using risk adjusted discount rate method?

b. Discuss the reasons for valuation of an Enterprise. **07**

Q. 4. **Write Short Notes: (Any Three)** **12**

1. Techniques of Financial Forecasting
2. Project Appraisal by financial Institution
3. Risk Analysis in project selection
4. Equity Value and Enterprise Value
5. Causes of Industrial Sickness