

MAY 2013

P/ID 6023/MEF

Time : Three hours

Maximum : 80 marks

PART A — (8 × 5 = 40 marks)

Answer any EIGHT questions.

1. Explain the nature of corporate finance.
2. Define cost of capital and state its importance.
3. 'Dividend as a residual payment' – Explain.
4. Explain the different types of merger.
5. What are the objectives and functions of IMF?
6. What are the advantages of leasing?
7. Distinguish between open ended and close ended schemes of mutual funds.
8. What is foreign collaboration? Describe with an example.
9. What are the reasons for mergers?
10. Explain the components of a capital structure.
11. What are the risks associated with investment?
12. What is MM's dividend irrelevance hypothesis?

PART B — (4 × 10 = 40 marks)

Answer any FOUR questions.

13. Describe the objectives and basics of corporate finance.
 14. State the factors that determine the capital structure of a firm.
 15. What factors could a company consider before it takes a decision on dividends?
 16. Explain the different types of lease financing with examples.
 17. Explain the functions of International Financial Institutions.
 18. Describe the various schemes of mutual funds.
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