



MFE 33

**III Semester M.B.A. (F.E.) Examination, June/July 2010
DESIGN OF SECURITIES AND CORPORATE FINANCE (OS)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer the following. **Each** question carries **2** marks.

(2×5=10)

1. a) Define Net Present Value.
- b) What is ROA ?
- c) What is an effective annual interest rate ?
- d) Distinguish between ordinary annuity and annuity due.
- e) Define mutual funds.

SECTION – B

Answer **any five** questions. **Each** question carries **seven** marks.

(7×5=35)

2. Describe market frictions.
3. What is investment management ? Briefly explain its scope.
4. Discuss the various types of investment services.
5. What are options ? Explain call and put options.
6. Briefly explain the process of stock trading.
7. Write a short note on bankruptcy liquidation.
8. Give an account of reasons for the failure of merger and acquisitions.

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SECTION – C

Answer **any two** questions. **Each** question carries **10** marks.

(10×2=20)

9. Describe the objectives and basics of corporate finance.
10. Explain the causes and procedure for bankruptcy.
11. Discuss signal theory and agency theory.
12. List the types of mergers. Write a note on product extension merger.

SECTION – D

Answer **any one** of the following carrying **fifteen** marks.

(15×1=15)

13. Define Bonds. Describe the main types of bonds.
 14. Discuss the case of acquisition of corus by Tata Steel.
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