

**Ph. D. (MANAGEMENT)
(PHDMGMT)**

Term-End Examination

December, 2024

**RMSE-001 : AREAWISE ADVANCED COURSE OF
STUDY AND RESEARCH : FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Note : *Attempt any **five** questions. All questions carry equal marks.*

1. Explain the concept of risk. How can risk be measured ? Discuss the advantage of risk adjusted discount rate.
2. What is the Capital Asset Pricing Model (CAPM) ? Explain its assumptions and implications.
3. What are Put and Call options ? Explain the difference between selling a call option and buying a put option. Illustrate your answer with payoff diagram.

4. What is interest rate risk ? How is the value of the bond determined when interest rate changes ? Explain the concept of default risk and default risk premium.
5. What do you understand by International Diversification ? How can risk be reduced with international diversification and how can one achieve international diversification of their investment portfolio ?
6. What are frauds ? Discuss the application of forensic accounting in detection and prevention of frauds.
7. Explain the concept of horizontal, vertical and conglomerate merger. When do mergers make economic sense ? Discuss.
8. Discuss the factors which influence the dividend policy of a firm. What are the different payout methods and how do shareholders react to these methods when used for payout declaration ?

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