JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -1 EXAMINATION- 2026

MBA-I Semester

COURSE CODE (CREDITS): 26MBA1JB115 (3) MAX. MARKS: 15

COURSE NAME: Corporate Finance

COURSE INSTRUCTOR: Dr. Vaishali Dhiman MAX. TIME: 1 Hour

Note: *(a) All questions are compulsory.*

Q.No	Question	CO	Marks
Q1	What are the three core financial decision pillars, and how do they differ in terms of their objectives and financial outcomes?	CO1	3.5
Q2	"During an annual strategic meeting, Executive 'A' argues that the firm should focus purely on driving maximum quarterly net income and cutting short-term R&D costs. Executive 'B' argues that the firm should prioritize long-term Net Present Value (NPV), risk-adjusted cash flows, and sustainable share price growth." a) Identify the financial management approach followed by Executive 'A' and Executive 'B'. Explain the core objective of each approach. b) Why is wealth maximization considered superior to profit maximization for corporate decision-making?	CO2	2 + 2
Q3	How does financial management interface with other functional areas such as marketing, production, and human resources in an organization?	CO1	3.5
Q4	"An established manufacturing company needs ₹10 crore for 60 days to purchase raw materials, while a scheduled commercial bank suddenly requires ₹50 crore overnight to fulfil its statutory CRR/SLR liquidity requirements before tomorrow morning." a) Identify and describe the suitable Money Market Instrument for the manufacturing company and state two of its key features.	CO2	2 + 2

90

	b) Identify and describe the suitable Money Market Instrument for the commercial bank and explain its key characteristics regarding tenure and collateral.		