

**FACULTY OF BUSINESS****FINAL EXAMINATION**

Student ID (in Figures) : 

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Student ID (in Words) : \_\_\_\_\_  
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Course Code & Name : **FIN3133 Strategic Corporate Finance**  
Semester & Year : September – December 2022  
Lecturer/Examiner : Mr Muhammad Firdaus  
Duration : 3 Hours

**INSTRUCTIONS TO CANDIDATES**

1. This question paper consists of 2 parts:  
PART A (40 marks) : **THREE (3) essay questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.**  
  
PART B (60 marks) : **THREE (3) long questions. Answer ALL questions. Answers are to be written in the Answer Booklet provided.**
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
4. Only ballpoint pens are allowed to be used in answering the questions, except for multiple-choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**Total Number of pages = 5 (Including the cover page)**

**PART A : THREE (3) ESSAY QUESTIONS (40 MARKS)**

**INSTRUCTION(S) : Answer ALL questions. Write your answers in the Answer Booklet(s) provided.**

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**QUESTION 1**

Discuss **FIVE (5)** Financial Business Objectives in a company. Provide relevant examples for each point.

(10 marks)

**QUESTION 2**

a) Briefly explain characteristics of Stakeholders.

(2 marks)

b) Differentiate **FOUR (4)** between **Internal Stakeholders** and **External Stakeholders**. Provide relevant examples on each of your point.

(8 marks)

**QUESTION 3**

a) Discuss **FIVE (5)** ethical issues faced by Financial Managers.

(10 marks)

b) Briefly explained any **FIVE (5)** challenges by Financial Managers in 2022.

(10 marks)

**(Total: 40 marks)**

**END OF PART A**

**PART B : THREE (3) ESSAY AND CALCULATION QUESTIONS (60 MARKS)**

**INSTRUCTION(S)** : Answer **ALL** questions. Write your answers in the Answer Booklet(s) provided.

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**QUESTION 1**

a) AXL Corporation is considering two mutually exclusive projects. The cash flows associated with those projects are as follows:

- Initial Outlay = RM 8,000
- Internal Rate of Return (IRR) = 8%
- Below is the information of the project name and tenure:

YEAR	PROJECT A (RM)	PROJECT C (RM)	PROJECT E (RM)
1	2,000	1,000	2,000
2	2,000	2,000	3,000
3	2,000	4,000	4,000
4	2,000	4,000	5,000
5	2,000	5,000	6,000

- i. What is each project's payback period?  
(4 marks)
- ii. What is each project's net present value?  
(4 marks)
- iii. What is Average Return for Project C?  
(4 marks)
- iv. Which project should be accepted? Why?  
(4 marks)
- v. What are the advantages and disadvantages of using Net Present Value (NPV)?  
(4 marks)

**(Total: 20 marks)**

## QUESTION 2

a) Calculate the Capital Asset Pricing Model for DEF Corporation using the information below:

i)

Beta	1.4
Risk Free Rate	3.75%
Market Rate	12%
Common Stock	2,000,000

(4 marks)

ii)

Beta	1.6
Risk Free Rate	2.15%
Market Rate	11%
Common Stock	2,000,000

(4 marks)

iii)

Beta	1.2
Risk Free Rate	4.75%
Market Rate	13%
Common Stock	2,000,000

(4 marks)

iv)

Beta	1.4
Risk Free Rate	5.75%
Market Rate	13%
Common Stock	2,000,000

(4 marks)

v)

Beta	1.3
Risk Free Rate	3%
Market Rate	12%
Common Stock	2,000,000

(4 marks)

**(Total: 20 marks)**

### QUESTION 3

a) Explain with examples the **FIVE (5)** causes of corporate failure.

(10 marks)

b) Describe **FIVE (5)** steps to Effective Risk Management Strategies.

(10 marks)

**(Total: 20 marks)**

**END OF EXAM PAPER**