



NATIONAL OPEN UNIVERSITY OF NIGERIA
PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA
FACULTY OF MANAGEMENT SCIENCES
2023 2 EXAMINATIONS

COURSE CODE: MBF805
COURSE TITLE: CORPORATE FINANCE
TIME ALLOWED: 2 ½ Hours
INSTRUCTIONS:

CREDIT UNIT: 3

1. Attempt question Number one (1) and any other three (3).
2. Question number 1 is compulsory and carries 25 marks, while the other questions carry 15 marks each
3. Present all your points in coherent and orderly manner

Question 1

- a. Explain five (5) ways by which organizations achieve growth. **10Marks**
 - b. What do you understand by cost of capital? **5Marks**
 - c. Enumerate and briefly explain any five (5) factors determining capital structure. **10Marks**
- Total = 25 Marks**

Question 2

- a. Discuss the tools of corporate finance. **12Marks**
- b. What are three (3) assumptions that we need to make to justify the focus on maximizing stakeholders' wealth. **3Marks. Total = 15 Marks.**

Question 3

- a. What are the alternatives ways to maximizing stakeholder wealth? **7Marks**
- b. Discuss difference between primary versus secondary markets. **8Marks. Total = 15 Marks.**