

# CMA Final - Strategic Financial Management

## Deep Past Year Paper Analysis (Important Chapters + Repeated Topics + Expected Questions)

After analyzing the recent CMA Final Strategic Financial Management papers carefully, there are very clear examiner patterns. The paper is highly repetitive in **concept clusters**, even when language changes.

The examiner mainly rotates:

- repeated numericals
- theory rotation patterns
- chapter weightage consistency
- hidden examiner behavior
- MCQ concentration areas
- practical question repetition

The pattern in Strategic Financial Management is highly predictable.

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## Priority Ranking (Most Important for Exam)

Rank	Chapter	Probability
1	Capital Budgeting & Investment Decisions	Very High
2	Risk Analysis in Capital Budgeting	Very High
3	Leasing, Hire Purchase & Lease vs Buy	Very High
4	Portfolio Management (CAPM, Beta, Sharpe, Treynor)	Very High
5	Derivatives (Options, Futures, Hedging)	Very High
6	Security Valuation & Dividend Models	High
7	Forex & International Financial Management	High
8	Mutual Funds & NAV	High
9	Technical Analysis & EMH	Medium-High
10	Digital Finance (CBDC, Cryptocurrency)	Medium

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## Chapter-Wise Detailed Analysis

### 1. Capital Budgeting & Investment Decisions ★★★★★

This is the most repeated chapter.

## **Repeated Areas**

- NPV
- IRR
- MIRR
- Modified NPV (MNPV)
- Replacement Decisions
- Incremental Cash Flow
- Working Capital Impact
- Salvage Value
- Tax Shield
- Equivalent Annual Cost (EAC)
- Replacement Cycle

## **Appeared In**

### **Dec 2024**

- Machine replacement decision
- Incremental cash flow
- NPV evaluation

### **June 2025**

- MNPV numerical

## **Question Bank**

- Multiple NPV/IRR/MIRR questions
- Replacement decisions
- EAC problems
- Project ranking

## **Expected Future Questions**

1. Compute MNPV when reinvestment rate differs from cost of capital.
2. Replacement decision involving tax and working capital.
3. EAC vs NPV comparison.
4. Capital rationing using PI and NPV.

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## **2. Risk Analysis in Capital Budgeting ★★★★★**

Repeated in every pattern analysis.

### **Important Topics**

- Expected NPV
- Standard Deviation
- Coefficient of Variation
- Sensitivity Analysis
- Scenario Analysis
- Decision Tree
- Risk Adjusted Discount Rate
- Certainty Equivalent

### **Appeared In**

- Probability-based project evaluation
- Sensitivity analysis
- Risk-adjusted NPV

### **Future Prediction**

Very likely 10–14 marks question.

Expected:

- Sensitivity of Project Cost/Cash Flow
- Coefficient of Variation comparison
- Risk-adjusted NPV

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## **3. Leasing Decision ★★★★★**

Extremely repetitive.

### **Repeated Areas**

- Lease vs Buy
- NAL (Net Advantage to Leasing)
- Tax Impact
- Borrowing Alternative

### **Appeared**

**Dec 2024**

- Full 7-mark leasing question

### **Question Bank**

- Multiple lease-purchase evaluations

### **Expected**

- NAL computation
  - Lease vs Buy recommendation
  - Post-tax cash flow comparison
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## **4. Portfolio Management ★★★★★**

One of the favourite examiner areas.

### **Repeated Topics**

- CAPM
- Beta
- Portfolio Return
- Portfolio Risk
- Sharpe Ratio
- Treynor Ratio
- Jensen Alpha
- Utility Theory

### **Appeared in Dec 2024**

- Sharpe Ratio
- Beta-based hedging
- Portfolio utility

### **Appeared in June 2025**

- CAPM/APT theory MCQ

### **Expected**

1. Calculate required return using CAPM.
2. Compute Sharpe/Treynor.
3. Portfolio beta and portfolio return.

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## 5. Derivatives ★★★★★

Consistently tested.

### Repeated Areas

#### Futures

- Index futures hedging
- Number of contracts
- Long hedge
- Short hedge

#### Options

- Put-Call Parity
- Option valuation
- Greeks (Delta, Gamma, Theta, Rho)

### Appeared

#### Dec 2024

- Put-call parity
- Rho
- Index futures hedge

#### June 2025

- Derivative theory MCQs

### Future Prediction

Very high chance.

Expected:

- Put Call Parity numerical
  - Futures hedge ratio
  - Currency futures hedge
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## 6. Security Valuation ★★★★★

### Repeated Areas

- Dividend Growth Model
- Constant Growth Valuation
- Bond Valuation
- Yield Calculations

### Appeared

Dec 2024

- Gordon Model valuation

### Future Prediction

Likely 5–7 marks numerical.

Expected:

- Dividend valuation
  - Bond valuation
  - Required return estimation
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## 7. Forex & International Financial Management ★★★★★

### Repeated Topics

- Forward Rate
- Forward Premium
- Currency Hedge
- Interest Rate Parity
- Exchange Risk

### Appeared

Dec 2024

- Forward premium calculation

## **Future Prediction**

Expected:

1. Forward rate computation.
2. Hedging foreign currency exposure.
3. Currency futures.

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## **8. Mutual Funds & NAV ★★☆☆☆**

### **Repeated Topics**

- NAV
- Entry Load
- Exit Load
- Mutual Fund Performance

### **Appeared**

**Dec 2024**

- NAV computation question

### **Expected**

Simple but almost every attempt contains one question.

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## **9. Technical Analysis & EMH ★★☆☆☆**

### **Repeated Topics**

- Moving Average
- Dow Theory
- Stochastic Oscillator
- Technical Indicators
- Efficient Market Hypothesis

## Appeared

**Dec 2024**

- Technical analysis
- Stochastic oscillator
- EMH event study

**June 2025**

- Moving average
- APT vs CAPM

## Future Prediction

MCQ section favourite.

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# 10. Digital Finance (New Trend Area) ★★ ★



New pattern emerging.

**Appeared in Dec 2024**

- CBDC
- Stablecoin
- Cryptocurrency

## Future Prediction

1–2 MCQs almost certain.

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# Predicted Questions for Next Attempt

## Very High Probability

1. MNPV vs NPV numerical.

2. Lease vs Buy decision.
3. Replacement decision with tax effects.
4. Portfolio evaluation using Sharpe/Treynor.
5. Index futures hedging.
6. Put-Call Parity.
7. Dividend Growth Model.
8. Sensitivity Analysis.
9. Risk Adjusted NPV.
10. Forward premium calculation.