STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2020-21 and thereafter)

COURSE CODE: 19AF/ME/FV45

B.COM (ACCOUNTING & FINANCE) DEGREE EXAMINATION – APR-MAY 2021
COMMERCE – SHIFT II
FOURTH SEMESTER

COURSE : MAJOR – ELECTIVE
PAPER   : FINANCIAL ANALYSIS AND BUSINESS VALUATION
TIME   : 90 MINUTES   MAX. MARKS: 50

SECTION – A

Answer all the questions: (3 x 2 = 6)

1. Name any four techniques used in Financial Analysis.
2. Write a short note on Distress Analysis.
3. State any two differences between Price and Value.

SECTION – B

Answer any three questions: (3 x 8 = 24)

4. Elucidate the purpose and procedure of constructing a Financial Model.
5. Explain the components and benefits of Du Pont Analysis.
6. Describe the Approaches to Valuation in case of Mergers and Acquisitions.
7. Following figures have been extracted from the records of a company:

Year	2012-13	2013-14
Sales (Rs.)	6,00,000	8,40,000
Cost of Goods Sold (Rs.)	4,00,000	6,30,000
Units Sold	20,000	30,000

   Account for changes in profit due to changes in sales quantity, cost price and selling price.

SECTION – C

Answer any one of the following: (1 x 20 = 20)

8. Discuss in detail the various methods used in Business Valuation.
9. A Firm is considering two mutually exclusive projects A and B each with initial investment of Rs. 10 crores and project life of 7 years. Cost of Capital is 15% and the tax rate is 40%. Cash flow (in Crores of Rs.) expected from the two projects is as follows:

Year	1	2	3	4	5	6	7
Project A	3	3	3	3	3	4	4
Project B	5	4	4	2	2	2	2

   Calculate the following:
   1. Payback period of each project
   2. Profitability index of each project
   3. NPV and IRR of each project

   Which of the two projects is better for the firm?

****