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GSCN/W-2019/SEM-I/ MBSF 1.3



Shiksha Mandal, Wardha's
G. S. College of Commerce & Economics, Nagpur
An Autonomous Institution
(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)
First Semester Master of Business Administration Examination (CBCS)
BUSINESS VALUATION
(MBSF 1.3)

Time: 3 Hours

Maximum Marks: 80

N.B.: All questions are compulsory.

- Q.1 Answer the following question in about 150-200 words: 10
A) Define value. What is the nature of valuation?
OR
B) What are the objectives and misconception about Valuation?
- Q. 2 Answer the following question in about 150 -200 words: 10
A) What do you mean by fair market value? What are the various adjustments for valuation purposes?
OR
B) Write a note on choice of approach. What are the different valuation approaches?
- Q. 3 Answer the following question in about 150 -200 words: 10
A) Define DCF Analysis. What are the advantages and disadvantages of DCF Approach?
OR
B) Elucidate the importance and assumptions of DCF Model.
- Q. 4 Answer the following question in about 150-200 words: 10
A) Define Relative Valuation. What are the steps and application of relative valuation?
OR
B) Give advantages and disadvantages of relative valuation with relevant cases.
- Q. 5 Answer the following question in about 150-200 words: 10
A) Elucidate the factors which determines the Book Value.
OR
B) How to Adjust the Book Value? Describe the factors in Asset Valuation.

- Q. 6 A) SML is a Small retail Company in Mumbai that reported the following figures to the shareholders and income tax authorities for the year ending March 31st, 2019

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	Shareholder Reporting	Tax Reporting
EBIT	₹100 Million	₹80 Million
Interest	₹10 Million	₹10 Million
Profit – Before Tax (taxable income)	₹90 Million	₹70 Million
Statutory Tax rate	30%	

Company paid ₹ 21 million as taxes (30% of ₹ 70 million) to the income tax department for the years.

Calculate: Free Cash flow.

OR

B) Rajiv wants to buy 3BHK flat near Salt Lake, Kolkata for renting out to others. He has to decide how much price he should pay for the flat. Since he is renting the flat, he will get yearly rental from the flat.

Depending on the lease agreement, he may have to take care of maintenance of flat, payment of utility bills. Calculate relative and absolute valuation for Rajiv.

- Q. 7 Answer the following questions in about 75-100 words. (Any Five)

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- Write a note on scope of valuation.
- What are the elements of business valuation?
- Write a note on value drivers.
- What do you mean by market multiples?
- What is the significance of determining the book value?
- Om travels an online travel agent that helps booking of air tickets and hotels online. In early 2015 the management of Om Travels is planning to come out with an IPO. As a consulting company, you have to value the shares of Om Travels using free cash flow method.
