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**M. B. A. (Fourth Semester) Examination, 2020**

APR-MAY



**(New Scheme)**

**(Management Branch)**

**(Specialization : Finance Management)**

**BUSINESS ANALYSIS and VALUATION**

**Time Allowed : Three hours**

**Maximum Marks : 80**

**Minimum Pass Marks : 32**

**Note : Solve any two questions from each section.**

**Unit-I**

1. Explain how financial statement analysis is helpful to a Investor of security market, credit officer of a Bank and to a Management Consultant of a firm.

8

2. Describe how strategy and competitive analysis is used in finding discrepancies in the accounting statement of a firm. 8
3. Explain how accounting Analysis is Implemented by analyzing Assets, Equity and liability. 8

**Unit-II**

4. Explain how Ratio Analysis can be conducted to determine the profitability position of the firm. 8
5. Nordstrom is a fashion accessory provider. Calculate the profitability ratio for the year 1997 and 1998. Decompose the return on Equity into return on Asset and comment on the result. 8

Ratio	Nordstrom 1998	Nordstrom 1997
Return on Sales (RoS)	4.1%	3.85%
Asset Turnover	1.61	1.68
Financial Leverage	2.37	1.95

6. What are the different approaches to valuation adopted by analyst to forecast Shareholder Equity. 8

**Unit-III**

7. Explain the significance of Equity Security Analysis for different practitioner of Financial Markets. 8
8. Describe the process of Comprehensive Equity Security Analysis. 8
9. Explain how Credit Analysis can help to predict distress. 8

**Unit-IV**

10. Why analysing merger's and Acquisition process is necessary for valuation. 8
11. How to evaluate value of the "Target" before and after Acquisition. 8
12. Explain how capital structure and Dividend policy of the firm should be formed. 8

**Unit-V**

13. Explain the Real Option Valuation Approach. 8
14. What are strategic consideration? While making a acquisition. 8

15. "The real option approach brings an optimistic view to uncertainty" comment on the above statement. 8