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Roll No.

576443(76)

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

April-May 2021

(New Scheme)

(Management Branch)

BUSINESS ANALYSIS and VALUATION (New)

(Elective-I)

Time Allowed : Three hours

Maximum Marks : 80

Minimum Pass Marks : 32

Note : Answer any **one** part (b) and (c) from each question. Part (a) of each question is compulsory.

Unit-I

1. (a) How business intermediaries use financial statements to accomplish business decisions. 6

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(b) What are the critical drivers of industry profitability? 10

Or

(c) Explain the accounting analysis methods in brief. 10

Unit-II

2. (a) What ratios would you use to evaluate operating leverage for a firm? 6

(b) Write short notes on : 10

- (i) Sensitivity analysis
- (ii) Seasonality and interim forecasts

Or

(c) Discuss the valuation approaches that are employed in prospective analysis. 10

Unit-III

3. (a) Explain equity security analysis from the perspective of a potential investor in the firm's stock. 6

(b) What is the difference between fundamental and technical analysis? Can you think of any trading strategies that use technical analysis? What are the underlying assumptions made by these strategies? 10

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Or

(c) Discuss the steps used by commercial lenders in credit analysis. 10

Unit-IV

4. (a) Discuss the motivation behind merger or acquisition. 6

(b) One important driver of a firm's capital structure and dividend policy decisions is its business risk. What ratios would you look at to assess business risk? Name two industries with very high business risk and two industries with very low business risk. 10

Or

(c) State the factors that determine firm's dividend policies. 10

Unit-V

5. (a) Discuss the role of option valuation in portfolio management. 6

(b) What is real option analysis and how is it best applied to investment decisions? 10

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Or

(c) Explain the Black-Scholes Model in brief. 10

VI-iv

- (a) Explain the importance of financial markets in the business system.
- (b) Discuss the importance of a firm's capital structure and dividend policy decisions in its business risk.
- (c) What factors would you look at to assess business risk? Name two industries with very high business risk and two industries with very low business risk.

Or

(c) Explain the factors that determine firm's dividend policy.

VI-v

- (a) Discuss the impact of option valuation in portfolio management.
- (b) What is real option analysis and how is it used in investment decisions?