

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

END Semester Examination, DEC. 2024

Course: Valuation & restructuring of Firms

Program: INT. BBA - MBA_FIN

Course code: FINC3065

Instructions: Attempt all Questions

Semester: V

Time: 3 Hours

Max. Marks: 100

Q1 SECTION A (Objective) (10 * 2 Marks Each) - 20 Marks)

A	Novelis was acquired by which Indian group? (a) Reliance (b) Tata (c) ITC (d) Birla (Hindalco)	CO1	2
B	If General Electric were to acquire New Start Airways, the acquisition would be classified as a _____ acquisition. (a) horizontal (b) longitudinal (c) conglomerate (d) vertical (e) integrated	CO1	2
C	What is the value of the firm usually based on? a) The value of debt and equity. b) The value of equity. c) The value of debt. d) The value of assets plus liabilities.	CO1	2
D	Which of the following is not one of the three fundamental methods of firm valuation? a) Discounted Cash flow b) Income or earnings - where the firm is valued on some multiple of accounting income or earnings. c) Balance sheet - where the firm is valued in terms of its assets. d) Market Share	CO1	2
E	Leasing of machinery can be categorized as _____ a) Fixed asset b) Investment decision c) Financing decision d) Capital budgeting decision	CO1	2
F	Listed companies can be valued at a) Book Value b) Market value c) Salvage value d) Liquidation value	CO1	2
G	What does the price-to-earnings ratio (P/E) tell you? a) How much each of a company's products sells for on average. b) How much investors are willing to pay per unit of a company's earnings. c) How much tax per unit investors are willing to pay. d) None of the above	CO1	2
H	What does a high P/E ratio suggest?	CO1	2

	<p>a) A company shares are currently overpriced. b) A company shares are currently underpriced. c) No relation d) None of the above</p>		
I	<p>High P/E ratios tend to indicate that a company will _____ a) grow quickly b) grow at the same speed as the average company c) grow slowly d) not grow</p>	CO1	2
J	<p>_____ is equal to (common shareholders' equity/common shares outstanding). a) Book value per share b) Liquidation value per share c) Market value per share d) Tobin's Q</p>	CO1	2
SECTION B (4* 5 Marks Each -20 Marks)			
Q2.	Distinguish between Price and value.	CO2	5
Q3.	What are the different approaches to Business Valuation?	CO2	5
Q4.	What are the Advantages and limitations of Discounted Cash flow valuation	CO2	5
Q5.	What is Enterprise Value? How it helps to value a firm?	CO2	5
SECTION-C (3* 10 Marks Each- 30 Marks)			
Q6	What do you mean by Valuation Multiples, explain with examples?	CO3	10
Q7	What is terminal value. Illustrate how to calculate terminal value.	CO3	10
Q8	Why the concept of time value of money is important in valuation of equity, bonds and for companies. Explain with suitable examples?	CO3	10

