Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES End Semester Examination, December 2019

Course : Corporate Valuation Program : MBA General (Finance) Time: 3 Hours

Semester : IIIrd C.Code : FINC 8010 Max. Marks : 100

	Multiple Choice Questions		Marks	CO			
Q1	Cash flow statement records inflow and out	ash flow statement records inflow and outflow of cash from					
·							
		All of the above	2	CO2			
Q2	shareholders are entitled to a f						
		Either of the above d. None of these	2				
			_	CO2			
Q3	Sale and purchase of fixed assets is shown i						
	a. Operating activities	b. Financing activities	2	CO2			
	c. Investing activities	d. All of the above					
Q4	is an intangible asset.		•	CO1			
	a. Machinery b. Furniture c	c. Goodwill d. None of these	2	001			
Q5	Net assets are calculated by subtracting						
-	a. External liabilities b. l	Fixed assets	2	~~~			
	c. Internal liabilities d. I	None of these	_	CO2			
Q6	Super profit is calculated by subtracting from actual profit.						
	a. Expected profit b. A	2					
	c. Any of the above d. N	None of these	_	CO3			
Q7	is a non cash expense.			CO2			
	-	c. Rent d. None of these	2				
Q8	are added back to net profit for calculating cash flow from operating						
	activities	2	CO2				
	a. Non cash expenses b	b. Non operating expenses	2	001			
	c. Both of the above d	d. None of these					
Q9	are entitled to interest on amount invested						
	a. Debenture holders	b. Equity shareholders	2	001			
	c. Preference shareholders	d. None of these		C01			
Q10	is a financing activity		1				
-		b. Loss on sale of asset.	2				
		d. None of these	_	CO1			
		Marks Each -20 Marks)	1	<u> </u>			

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

Q11	The profits earned	d by a firm during the	last 4 years are a	as follows:			
-	Years	Amount (in Rs.)	Profit / Loss				
	2008	1,30,000	(Profit)				
	2009	1,70,000	(Profit)				
	2010	20,000	(Loss)		5	CO3	
	2011	1,40,000	(Profit)				
	The capital invested in the firm is Rs.10,00,000. Normal rate of return in the similar						
	-	business is 10% per annum. Calculated the value of Goodwill on the basis of 2 years					
	purchase of the su	uper profit earned.					
Q12	Explain the factor	rs affecting the goodw	ill of the firm.		5	CO2	
Q13	Find out the value of each equity share from the following data:-						
	Liabilities						
		ital (share of Rs.10 ea	ch)	2,00,000			
	General reserve			3,40,000			
	Profit			60,000			
	Long term loan			3,00,000		CO1	
	Creditors			1,50,000	5	001	
	Bank overdraft			50,000			
			Total	11,00,000			
	Assets						
	Building			1,80,000			
	Plant			1,20,000			
	Goodwill			70,000			
	Stock			2,00,000			
	Debtors			1,30,000			
	Bank			2,50,000			
	Discount on share	es		1,50,000			
			Total	11,00,000			
	The assets of the company were valued as Building Rs.1,50,000, Plant Rs.1,30,000,						
014	Debtors Rs.1,25,000 and other assets at book values.2						
Q14			tions are operating	ng activities, financing activities			
	and investing acti				5		
	(a) Interest paid o						
	(b) Cash received					CO3	
	(c) Machinery pu						
	(d) Income tax pa						
	(e) Purchased goods for cash.						
	(f) Dividend paid						
	(g) Sale of motor (h) Salaries paid.	venicle for cash.					
	-	f preference shares.					
		ck in trade for cash.					
	SECTION-C (2* 15 Marks Each- 30 Marks)						

Q15	Prepare cash flow statement from the following information							
	Liabilities	1991	1992	Assets	1991	1992		
	Equity share capital	10,000	22,000	Land	8,000	12,000		
	Preference share capital	5,000	3,000	Building	10,000	6,000		
	Reserve fund	2,000	3,500	Furniture	3,000	7,000	15	CO2
	P/L A/c	10,000	7,500	Stock	5,000	2,200		
	Bank overdraft	5,000	1,000	Expenses paid in	4,000	10,000		
	Expenses payable	3,000	1,200	advance	3,000	1,000		
	Outstanding rent	2,000	12,000	Bill Receivable	2,500	7,000		
				Cash	1,500	5 <i>,</i> 000		
				Bank				
	Total	37,000	50,200	Total	37,000	50,200		
	Additional information:-							
	(i) Dividend paid during the year Rs.2,500							
	(ii) Loss on sale of building Rs.1,800							
Q16	Calculate goodwill of a firm on the basis of three years purchase of the weighted							
	average profits of the last f	our years.	The prof	it of the last four year	s were:			
	2000 Rs. 20,200							
	2001 Rs.24,800							
	2002 Rs.20,000 2002 Rg 20,000							
	2003 Rs.30,000. The weights assigned to each year are : 2000-1; 2001-2; 2002-3 and 2003-4.You are							
	supplied the following info		e. 2000-	1, 2001-2, 2002-3 and	12003-4.10	Ju ale	15	
			ant renair	was undertaken for R	s 6 000 wh	ich was	15	
	(i) On September 1, 2002 a major plant repair was undertaken for Rs.6,000 which was charged to revenue. The said sum is to be capitalized for goodwill calculation subject							
	to adjustment of depreciation of 10% per annum on reducing balance method.							CO3
	(ii) The closing stock for the year 2001 was overvalued by Rs.2,400.							
	(iii) To cover management cost an annual charge of Rs.4,800 should be made for the							
	purpose of goodwill valuation.							
	SECTION-D							
Q17	Mr. X is employed at Mumbai in limited company at a salary of Rs 16,000 per month,							
	plus dearness pay of Rs 4,000 per month. Since he is Deputy Manager in the sales							
	Department, he is also entitled to 1% commission on sales which amounted to Rs 20							
	lakhs(1% of 20 crores) during the year. He is also getting House Rent Allowance of Rs						30	CO1
	8,000 per month. The actual rent paid by him is Rs 5,000 per month upto 30th September,						50	
	2017 and thereafter it has been increased to Rs 6,000 per month. Find out the taxable							
	amount of House rent Allowance for the Assessment Year 2019-20.							