



Name: Enrolment No:	
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End-semester Examination, December, 2023

Course: Strategy Toolkit for consultants (Business and Financial Modelling)
Semester: III
Program: MBA S&C **Time : 03 hrs.**
Course Code: STGM8019 **Max. Marks: 100**
Instructions:

SECTION A
10Qx2M=20Marks

Note: Some questions may have more than one correct answer. For such questions, you must select all the correct answers to be awarded marks. There are no partial marks.

S. No.		Marks	CO
Q 1	Which of the following is NOT a key component of the Business Model Canvas? a) Customer segments b) Cost structure c) Competitor Analysis d) Revenue streams	2	CO1
Q 2	Which component of the Business Model Canvas relates to the critical resources needed to deliver the value proposition? a) Key partners b) Key activities c) Customer segments d) Cost structure	2	CO1
Q 3	What is the purpose of a revenue stream in a business model? a) To represent the company's expenses b) To show how the company creates and captures value c) To track employee performance d) To outline the company's growth strategy	2	CO1
Q 4	Which of the following is a use case for business modeling in strategy consulting? a) Product development b) Assessing competitive advantages c) Employee training d) Social media marketing	2	CO1

Q 5	<p>Which of the following is an application of financial models in business growth strategy?</p> <ul style="list-style-type: none"> a) Identifying key competitors b) Evaluating potential merger opportunities c) Creating advertising campaigns d) Developing employee training programs 	2	CO1
Q 6	<p>In the context of financial modeling, what does "due diligence" refer to?</p> <ul style="list-style-type: none"> a) Assessing the company's customer segments b) Conducting a thorough investigation and analysis before making investment decisions c) Calculating marketing ROI d) Checking if the assumptions in the financial model are benchmarked to market standards 	2	CO1
Q 7	<p>When building a financial model for a retail business, what would be an essential component to include?</p> <ul style="list-style-type: none"> a) Stock market analysis b) A detailed employee directory c) Sales forecasts d) Social media engagement metrics 	2	CO1
Q 8	<p>In the context of financial models, what does the term "Discounted Cash Flow (DCF)" refer to?</p> <ul style="list-style-type: none"> a) A valuation method used to estimate the value of an investment based on future cash flows b) A cost-cutting initiative c) A customer relationship management (CRM) tool d) A financial tool used to increase balance sheet revenue by underestimating the value of cash flows 	2	CO1
Q 9	<p>What financial metric helps assess a company's overall financial health by comparing its assets to its liabilities?</p> <ul style="list-style-type: none"> a) Return on investment (ROI) b) Earnings before interest and taxes (EBIT) c) Current ratio d) Net profit margin 	2	CO1
Q 10	<p>Which type of financial model output is typically represented through tables, showing detailed breakdowns of various financial metrics?</p> <ul style="list-style-type: none"> a) Revenue forecasts b) Earnings per share (EPS) c) Balance sheet d) Market capitalization 	2	CO1

SECTION B 4Qx5M= 20 Marks			
Q 1	A technology company plans to enter a new international market. Describe how they can adapt their Business Model Canvas to address the challenges and opportunities associated with international expansion.	5	CO2
Q 2	Consider a case where you need to value a technology startup for potential investment. Outline the key methodologies you would use to estimate the startup's value and make a well-informed investment decision.	5	CO2
Q 3	You are preparing a board presentation for a healthcare organization. The board members have diverse backgrounds, including medical professionals and business executives. Describe your approach to translating a complex financial model into a presentation that is accessible and engaging to this diverse audience.	5	CO3
Q 4	Explain the Internal Rate of Return (IRR) as a key metric in valuation. How is it calculated, and what does a high or low IRR suggest about an investment?	5	CO3
SECTION-C 3Qx10M=30 Marks			
Q 1	<p>You have been provided with two financial models for evaluating the same investment in an e-commerce business. Model A uses a five-year forecast period, while Model B uses a ten-year forecast period. For Model A, the NPV is INR 2 Cr, and for Model B, the NPV is INR 3.5 Cr. Additionally, the company's KPI data for the last year includes:</p> <ul style="list-style-type: none"> • Customer Acquisition Cost (CAC): INR 20 • Conversion Rate: 5% • Average Order Value (AOV): INR 100 <p>a) Compare the advantages and disadvantages of each model's forecast duration, including factors such as sensitivity to assumptions, long-term accuracy, and decision-making implications.</p> <p>b) Calculate the Customer Lifetime Value (CLV) for this e-commerce business and explain its significance in evaluating the company's performance and profitability.</p>	10	CO4
Q 2	<p>You are conducting a Discounted Cash Flow (DCF) valuation for a renewable energy project. The base-case DCF analysis results in a Net Present Value (NPV) of INR 10 Cr and an Internal Rate of Return (IRR) of 12%. However, there is uncertainty in key variables.</p> <p>a) Perform a sensitivity analysis by considering different scenarios for cash flows and discount rates.</p> <p>b) Calculate the NPV and IRR for both a pessimistic scenario with lower cash flows and a higher discount rate and an optimistic scenario with higher cash flows and a lower discount rate.</p>	10	CO4

	c) Discuss the impact of these scenarios on the project's valuation and decision-making.		
Q 3	<p>You are advising a restaurant chain on refining its business model.</p> <p>a) Identify and describe the key components of the Business Model Canvas that are particularly relevant to this industry.</p> <p>b) Provide examples of how these components could be tailored to improve the restaurant chain's profitability.</p> <p>(OR)</p> <p>Analyze the Business Model Canvas of Tata Motors. Identify its key value propositions, customer segments, and revenue streams. Based on this analysis, discuss how Tata Motors can differentiate itself in comparison to another leading automotive brand (eg- Honda/ Hyundai/ Renault).</p>	10	
SECTION-D 2Qx15M= 30 Marks			
	<p><i>You will be evaluated on the following:</i></p> <ul style="list-style-type: none"> • <i>Judicious application of assumptions</i> • <i>Usage of relevant frameworks / tools</i> • <i>Clarity/ structure of thought in response</i> • <i>Technical content of your response</i> • <i>Effective business communication principles</i> <p><i>Note: You may use appropriate tables, charts, and calculations to support your answers. Show all calculations clearly. Marks will be awarded for accurate calculations, thorough explanations, and insightful analysis.</i></p> <p>Case Study: BuildWell Constructions is a pioneering company in the Indian construction sector, specializing in the development of residential, commercial, and infrastructure projects. Founded in 2005 by a team of seasoned industry professionals, BuildWell has emerged as a key player in the nation's ambitious infrastructure development plans. BuildWell prides itself on being a pioneer in transforming India's Infrastructural Landscape. This case study provides an overview of BuildWell Constructions' business model.</p> <p>BuildWell Constructions operates as a full-service construction firm, integrating design, engineering, and project management to deliver high-quality and sustainable building solutions. It serves a diverse clientele, including government bodies, real estate developers, and individual homeowners. By understanding the distinct needs of each segment, BuildWell ensures tailored solutions and maintains strong customer relationships throughout the project lifecycle. The company's value propositions lie in its commitment to delivering timely, cost-effective, and sustainable construction solutions. BuildWell emphasizes quality craftsmanship, adherence to strict regulatory standards, and a customer-centric approach that fosters trust and long-term partnerships. Its revenue streams primarily derive from project-based contracts, including government infrastructure projects, commercial developments, and residential constructions. The company's diversified portfolio ensures a steady flow of</p>		CO5

	<p>revenue, contributing to its long-term financial stability and growth. BuildWell Constructions has established itself as a prominent name in India's construction sector, showcasing excellence in project execution, customer service, and industry partnerships. The case study provides a comprehensive overview of the company's business model, highlighting its customer-centric approach, key partnerships, revenue streams, and core activities.</p>		
Q 1	<p>Build a detailed business model canvas for BuildWell Constructions. Please note the key assumptions you have made to create the business model canvas.</p>	15	
Q 2	<p>BuildWell Constructions is facing a decline in revenues from its commercial development stream. Using a suitable structured thinking framework (eg: CPCCP/ Market Entry/ PESTEL/ 4Ps/ Profitability/ Porters Five Forces/ any suitable alternative) examine the potential reasons which could cause BuildWell to face a loss of revenues. Synthesize these insights and describe how BuildWell could enhance its business model to overcome the revenue loss and revert to its usual revenue metrics.</p> <p>(OR)</p> <p>Compare and contrast BuildWell's business model canvas to the business model canvas of a new-age business like AirBnB. Highlight five differentiating features between the two business model canvases, which would have a direct impact on revenue generation and profitability.</p>	15	