(2½ Hours) **[Total Marks : 75**

Q.1.A) State whether the following are true or False (any eight) **(8)**

1. Dividend is paid out of Reserve
2. In EPS, , S & refers share
3. In EVA, V refers to variation
4. Relative valuation means valuation using multiples
5. Price sale ratio refers relation between sale & stock price.
6. Valuation are subjective calculations
7. Brand valuation has credibility.
8. Goodwill is a tangible asset.
9. Copyrights, patents are intellectual properties.
10. Shareholders do not provide capital to business.

B) Match the column (any seven) **(7)**

A	B
1) Price	
2) Asset Based Approach	a) DCF
3) Income Based approach	b) Intrinsic Method
4) Net Asset Method	c) Dividend
5) Debentures	d) NAV
6) Brand	e) Exchange value
7) Patent	f) Musical
8) Copyright	g) Price earning ratio
9) P/E Ratio	h) Earning per share
10) EPS	i) Property right
	j) Lux

Q.2.A) Calculate operating leverage, Financial Leverage and combined leverage. Also prepare income statement and find out EPS. **(15)**

	A Ltd	B Ltd
Selling price per unit	Rs . 60	Rs. 70
No of units sold	40,000	30,000
Variable cost per unit	Rs.25	Rs.20
10% Debentures	Rs. 3,00,000	Rs. 4,00,000
Tax Rate	40%	40%
Equity shares	30, 000	40,000
Fixed cost	Rs. 25,000	Rs.18,000

Q.2.B) Find out YTM for the following **(8)**

Bond	coupon	maturity	price
X	10%	8 yrs.	Rs. 70
Y	8%	10 yrs.	Rs. 60

Face value of Bond is Rs. 100/-

C) State the advantages of the Merger **(7)**

Q.3.A) Co. P wants to acquire Q by exchange of 0.5 shares for every share of Q. (15)
The necessary information given below.

	P Ltd	Q Ltd
NPAT	Rs. 10,00,000	Rs. 2,00,000
No Equity Shares	4, 00,000	50,000
Market price	Rs. 40	Rs. 30

Calculate:
1) EPS and P/E of both the firms before acquisition
2) The no of equity shares to be issued by P for acquiring Q.
3) EPS of P after acquisition
4) MPS of P after acquisition assuming its P/E multiples remain unchanged.
5) Market value of the merged entity.

OR

Q.3.B) Calculate EVA for the following (8)

Equity share capital	Rs. 12,00,000
12% preference share capital	Rs. 6,00,000
Reserves and Surplus	Rs. 8,00,000
12% Debentures	Rs. 4,00,000
Profit Before Tax	Rs. 8,00,000
Tax Rate	40%
WACC	14%

C) Discuss the types of financial Analysis (7)

Q.4.A) Calculate free cash flow to firm for the following (8)

Sales	Rs. 5,00,000
Cost	Rs. 2,00,000
Depreciation	Rs. 20,000
Tax	40%
Change in net W.C.	Rs. 5,000/-
Change in Capital Spending	Rs. 8,000/-

B) Calculate Brand value for the following (7)

Branded Revenue	Rs. 200.p.u
Unbranded Revenue	Rs. 100 p.u.
Branded Cost	Rs. 175 p.u.
Unbranded Cost	Rs. 50 p.u.
Cost of R.D.	Rs. 15 p.u.

Number of branded products 25,000 units
Number of Unbranded products 20,000 units

Tax Rate	20%
Capitalisation factor	20 %

OR

Q.4. C) Write a note on sales Variance **(8)**

D) Discuss FCFF **(7)**

OR

Q.5.B) Short Notes (any 3) **(15)**

1) EPS
2) Purchase consideration
3) Bonds maturity
4) Financial leverage
5) IPRs
