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**PRESIDENCY
UNIVERSITY**
BENGALURU

School of Management

Mid-Term Examinations - November 2024

Semester: V

Date: 07-11-2024

Course Code: BBA3007

Time: 11.45am - 01.15pm

Course Name: Financial Modelling

Max Marks: 50

Program: BBA (Finance)

Weightage: 25%

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.

5Qx2M=10M

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|----------|---|----------------|-----------------|------------|
| 1 | What is the primary function of financial modeling? | 2 Marks | Remember | C01 |
| 2 | Name two applications of financial modeling in business. | 2 Marks | Remember | C01 |
| 3 | What is the purpose of a balance sheet in financial statement analysis? | 2 Marks | Remember | C02 |
| 4 | Define 'Du Pont Analysis' in the context of financial modeling. | 2 Marks | Remember | C02 |
| 5 | What is the significance of financial analysis techniques in modeling? | 2 Marks | Remember | C02 |

Part B

Answer ALL Questions. Each question carries 10 marks.

4QX10M=40M

- 6 Explain the process of building a comprehensive financial model, including key considerations and potential challenges. **10 Marks** **Understanding** **C01**
- OR**
- 7 Analyze the importance of financial statement analysis in building accurate financial models. Include a discussion on how each financial statement contributes to the modeling process. **10 Marks** **Analyzing** **C02**
- 8 Evaluate the significance of ratio analysis in financial modeling. Discuss at least five key ratios and their interpretations in the context of industry analysis. **10 Marks** **Understanding** **C01**
- OR**
- 9 Explain the Du Pont Analysis framework and its application in financial modeling. Discuss how it can be used to compare companies within an industry. **10 Marks** **Understanding** **C02**
- 10 Describe the process of conducting a comprehensive peer-to-peer analysis in financial modeling. **10 Marks** **Applying** **C02**
- OR**
- 11 Explain the benefits and limitations of conducting a comprehensive peer-to-peer analysis in financial modeling. **10 Marks** **Understanding** **C02**
- 12 The cash flow statement is a crucial financial document that provides a detailed overview of a company's cash inflows and outflows over a specific period. Give the format of Cash Flow Statement and state its importance in Financial Modeling. **10 Marks** **Applying** **C02**
- OR**
- 13 Discuss the role of financial modeling in supporting strategic decision-making processes within organizations. Provide relevant examples. **10 Marks** **Understanding** **C02**