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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **Ph.D. Course Work End Term Examinations – JAN-FEB 2025** |
| **Date:** 31- 01- 2025 **Time:** 09:30 am – 12:30 pm |

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| **School:** SOC | **Program:** Ph.D. | |
| **Course Code:** COM812 | **Course Name:** Business Valuation | |
| **Semester**: | **Max Marks**: 100 | **Weightage**:50% |

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| --- | --- | --- | --- |
| **CO - Levels** | **CO1** | **CO2** | **CO3** |
| **Marks** | **30** | **40** | **30** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Answer ALL the Questions. Each question carries 10 marks. 6Q x 10M=60Marks** | | | | |
| **1** | Give a brief account of ICAI 2018 valuation standards | **10Marks** | **M** | **CO1** |
| **2** | Discuss about different business valuation methods | **10Marks** | **M** | **CO2** |
| **3** | Explain about relative and absolute business valuation methods and relevance of application of multiple valuation methods | **10Marks** | **M** | **CO3** |
| **4** | Discuss about the practical challenges and consequences various valuation approaches | **10Marks** | **M** | **CO2** |
| **5** | Discuss in detail about Option pricing valuation models and traditional valuation models | **10Marks** | **M** | **CO3** |
| **6** | Outline the market approach and dividend discount models of business valuation | **10Marks** | **M** | **CO3** |

**Part B**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Answer the Questions. Each question carries 20 marks 2Q x 20 = 40 Marks** | | | | | | |
| **7.** | From the following information compute the value of goodwill on the basis of 3 years purchase of super profits of the business calculated on the average profit of the last four years   |  | | --- | | 1. Capital employed – INR 60,000 | | 1. Trading Profits (after tax)   2015 – Rs. 12,000  2016 – Rs. 15,000  2017 – Rs. 2000 (Loss)  2018 – Rs. 20,000 | | 1. Rate of interest expected from capital with reference   to the risk involved in the business is 10% | | 1. Remuneration from alternative employment of the   proprietor (if not engaged in business) INR 4,000 per annum | | | **20 Marks** | **M** | | **CO2** |
|  | | | | | | |
| **8.** | Discuss about ethical considerations in business valuation | **20 Marks** | | | **M** | **CO1** |