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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – MAY 2025** |
| **Date:** 22-05-2025 **Time:** 09:30 am – 12:30 pm |

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| **School:** SOC | **Program:** B.Com Honors | |
| **Course Code :** COM3095 | **Course Name:** Financial Modelling | |
| **Semester**: VI | **Max Marks**: 100 | **Weightage**:50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **26** | **26** | **21** | **28** | **9** |

**Instructions:**

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

**Part A**

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| **Answer ALL the Questions. Each question carries 2 marks. 10Q x 2M=20M** | | | | |
| **1.** | State two objectives of financial modelling? | **2 Marks** | **L1** | **CO1** |
| **2.** | Discuss the three primary financial statements. | **2 Marks** | **L1** | **CO2** |
| **3.** | List two key financial ratios used in Profitability analysis. | **2 Marks** | **L1** | **CO3** |
| **4.** | Discuss the role of a Balance Sheet in financial analysis? | **2 Marks** | **L2** | **CO2** |
| **5.** | Provide the formula for calculating the Quick Ratio. | **2 Marks** | **L1** | **CO3** |
| **6.** | Recall the meaning of Financial Modelling. | **2 Marks** | **L1** | **CO1** |
| **7.** | Explain the term "Non-Current Liabilities" with an example. | **2 Marks** | **L1** | **CO2** |
| **8.** | Explain the concept of Absolute Valuation. | **2 Marks** | **L2** | **CO4** |
| **9.** | Discuss any two arithmetic functions in Excel. | **2 Marks** | **L1** | **CO5** |
| **10.** | Describe the concept of Peer to Peer Analysis | **2 Marks** | **L2** | **CO4** |

**Part B**

**Answer ALL the Questions. Each question carries 7 Marks. Total Marks 35M**

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| 11. | a. | Explain the stages of project evaluation in financial modelling. | 07 Marks | L2 | CO1 |
| Or | | | | | |
| 12. | **a.** | Discuss the four key financial evaluation techniques used in project decision-making. | **07 Marks** | **L2** | **CO1** |

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| 13. | a. | Create a comparative balance sheet for a hypothetical company, presenting financial figures for two consecutive periods. | 07 Marks | L3 | CO2 |
| Or | | | | | |
| 14. | **a.** | Explain the major Cash Inflows and outflows from financing activities. | **07 Marks** | **L2** | **CO2** |

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| 15. | a. | Investigate the constraints of using financial ratios in financial analysis | 07 Marks | L3 | CO3 |
| Or | | | | | |
| 16. | **a.** | SD Ltd. proposes to take over RY Ltd. With the following particulars: Current Assets Rs. 70,000; Current Liabilities Rs. 35,000; Inventory Rs. 30,000; Operating Expenses Rs. 40,000; Revenue from Operations Rs. 1,20,000; Cost of Revenue from operation Rs. 60,000. Help calculate following ratio analysis to assist in decision making: (i) Current ratio (ii) Liquid ratio (iii) Operating Ratio (iv) Gross profit ratio. | **07 Marks** | **L3** | **CO3** |

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| 17. | a. | Describe the key steps involved in the valuation process | 07 Marks | L2 | CO4 |
| Or | | | | | |
| 18. | **a.** | Examine the forecasting models commonly used in data analysis | **07 Marks** | **L3** | **CO4** |

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| 19. | a. | Discuss the steps involved in performing extrapolation in Excel with an example. | 07 Marks | L3 | CO5 |
| Or | | | | | |
| 20. | **a.** | Demonstrate the use of VLOOKUP in Excel with an example. | **07 Marks** | **L3** | **CO5** |

**Part C**

**Answer any Three Questions. Each question carries 15 marks 3Q x 15M=45M**

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| 21. | a. | Investigate the stages of a project from start to finish and assess the significance of financial modeling in guiding each phase effectively. | 15 Marks | L3 | CO1 |

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| 22. | a. | Describe the steps required to prepare a comprehensive financial analysis report on an industry using ratio analysis | 15 Marks | L3 | CO3 |

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| 23. | a. | Describe the concept of "Financial Reporting Mechanics" and evaluate the fundamental principles that ensure accurate and reliable financial reporting. | 15 Marks | L2 | CO2 |

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| 24. | a. | Following details are extracted from the balance sheet of AB Ltd. As on 31st March 2012; Calculate the intrinsic value of shares of the company.   |  |  |  |  | | --- | --- | --- | --- | | **Liabilities** | **Amount** | **Assets** | **Amount** | | 3000 Shares of 100 each  General reserve  Profit & loss account  Creditors  Provision for taxation  Provident Fund | 300000  50000  25000  40000  20000  10000  445000 | Land & Building  Machinery  Investments at Cost (Market value 40,000)  Debtors  Stock  Cash | 150000  100000  45000  100000  40000  10000  445000 |   Additional information   1. Depreciate Machinery @ 10% and increase land & Building to 1,80,000 2. Provide 8% towards bad debts | 15 Marks | L3 | CO4 |