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PRESIDENCY UNIVERSITY BENGALURU

Department of Research & Development Mid - Term Examinations - August 2024

Odd Semester: Ph.D. Course Work

Date: 13-08-2024

Course Code: COM812

Time: 09.30am to 11.00am

Course Name: Business Valuation

Max Marks: 50

Department: School of Commerce & Economics

Weightage: 25%

Instructions:

- (i) Read the all questions carefully and answer accordingly.
 - (ii) Do not write any matter on the question paper other than roll number.
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PART A (THOUGHT PROVOKING)

Answer all the Questions. Each question carries 5 marks.

(4Qx 5M= 20M)

1. Write a short note on Business Valuation and Discuss its need. **(CO:1 Knowledge)**
2. List out the key principles of business valuation. **(CO:1 Knowledge)**
3. Write a short note on "Income Based Valuation Method". **(CO:1 Knowledge)**
4. Explain briefly the term Discounted Cash Flow Analysis. **(CO:1 Knowledge)**

PART B (PROBLEM SOLVING)

Answer all the Questions. Each question carries 10 marks.

(3Qx 10M= 30M)

5. Valuation of business plays a very vital role, therefore a business owner or individual may need to know the value of a business. The fair market value standard consists of an independent buyer and seller having the requisite knowledge and facts, not under any undue influence or stressors and having access to all of the information to make an informed decision. With reference to above context, Discuss the purpose of Valuation. **(CO-01 Application)**
6. Valuation is a process of appraisal or determination of the value of certain assets, i.e., tangible or intangible, securities, liabilities and a specific business as a going concern or any company listed or unlisted or other forms of organization, partnership or proprietorship. 'Value' is a term signifying the material or monetary worth of a thing, which can be estimated in terms of medium of exchange. In other words, it is an assessment resulting in an expression of opinion rather than arithmetical exactness. Business valuation requires a working knowledge of a variety of factors, and professional judgment and experience. With reference to the above statement, Explain the Importance of Valuation. **(CO-01 Application)**

7. Today business valuers need to be better educated in order to make business valuation theory and practices better explained and better defined. The act of business valuation, therefore, needs to be more of a science than perception and guess. Enhanced credibility of the valuation process requires establishing various estimates of values with minimum most possible range between the highest and lowest values arrived at through various methods. With reference to the above statement, illustrate the Regulatory and professional standards in valuation. **(CO-01 Application)**