Sr. No. of Question paper	**:**	**9920**
Unique Paper Code	**:**	**2413080019**
Name of the Paper	**:**	**Business Valuation**
Type of the Paper	**:**	**DSE**
Semester	**:**	**VII**
Programme	**:**	**B. Com. (H)**

Duration: 3 Hrs. **Maximum Marks: 90**

Instruction for Candidates:

1. **Write your Roll No. on the top immediately on receipt of this question paper.**
2. **Attempt all questions.**
3. **All parts of a question to be attempted together.**
4. **All questions carry equal marks.**

1. **a)** Explain the fundamental nature of business valuation as a process. Discuss the core elements that any valuation must analyze and reconcile, regardless of the asset being valued. **(9)**

   b) "Valuation is not a precise science but a professional judgment exercised within a framework of inherent constraints and subjective variables."
   Critically analyze this statement. **(9)**

Or

a) Valuation principles are foundational axioms that guide the application of methodologies, rather than formulas to be directly computed. Their correct interpretation determines whether a valuation is theoretically sound or fundamentally flawed." Critically examine this statement (9)

b) Explain the purpose of valuation standards in the Indian and international contexts. Discuss the key objectives of Indian Valuation Standards (IVS highlighting any similarities or differences in their aims for promoting consistency, transparency, and reliability in valuation practices. **(9)**

2. **a)** Explain the three primary approaches to valuation (income, market, and asset-based) with one key model under each. Provide a brief description, formula (where applicable), and a suitable scenario for using each model in business valuation **(9)**

   b) Explain the discounted cash flow (DCF) analysis method, including its key formula and steps involved in estimating the intrinsic value of a firm. Describe the comparable transaction method for valuation, highlighting how it differs from comparable company analysis **(9)**

Or

a) Explain the Dividend Discount Model (DDM) for valuing equity shares, including its underlying assumptions and the Gordon Growth Model formula. Describe the Net Asset Value method of share valuation, outlining the steps to compute NAV with adjustments for fair value of assets and liabilities. **(9)**

b) What are the key factors affecting the choice of valuation techniques in financial analysis? Illustrate with examples. Compare and contrast relative valuation and intrinsic valuation methods with respect to their application and limitations. **(9)**

3. **a)** Explain the concept of environmental accountability and outline its key components. Illustrate with examples how organizations can implement measures for transparency and mitigation of environmental impacts. **(9)**

b) Explain the meaning of goodwill as an intangible asset and describe any two methods (such as average profit method or super profit method) for its valuation, with relevant formulas. **(9)**

Or

a) Valuation of micro, small, and medium enterprises (MSMEs): "Discuss the challenges and suitable approaches for valuing micro, small, and medium enterprises (MSMEs) **(9)**

b) Distinguish between the pricing and valuation of futures contracts versus forward contracts, highlighting the role of daily mark-to-market settlement **(9)**

4. **a)** Explain the significance of non-financial considerations in business valuations, providing at least four key examples such as employee matters, customer relationships, brand reputation, and personal goodwill. Illustrate how each factor impacts the overall valuation process with a hypothetical business scenario **(9)**

b) Explain the key roles and functions of top-level management in Human Resource Management, such as strategic planning, policy formulation, and ensuring organizational welfare. Illustrate with examples of how these managers like CEOs or Board of Directors align HR strategies with overall business goals. **(9)**

Or

a) Explain the key principles of corporate governance and their role in ensuring accountability and transparency in organizations. Discuss with reference to any two major corporate scandals in India. **(9)**

b) Explain the concept of environmental accountability and outline its key components. Illustrate with examples how organizations can implement measures for transparency and mitigation of environmental impacts. **(9)**

5. Write Short Notes on any three of the following: **(3X6=18 Marks)**

(a) Indian and International Standards on Valuation
(b) Market Valuation
(c) Miscounted Cash Flow Analysis
(d) Valuation of Intangibles
(e) Corporate Social Responsibility and Environmental Accountability