JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -2 EXAMINATION- 2025

BBA Semester V

COURSE CODE (CREDITS): 24B11HS512(4) MAX. MARKS: 25

COURSE NAME: Financial Valuation and Modelling

COURSE INSTRUCTORS: TGM MAX. TIME: 1 Hour 30 Min

Note: *(a) All questions are compulsory.*

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

Q.No	Question	CO	Marks
Q1	Which of the two, P/E ratio or PEG ratio is a better indicator of undervaluation? Why?	4	5
Q2	Calculate the Altman's Z score from the following information. Meta company's networking capital to total assets ratio is 15%, retained earnings to total assets is 31.5%, market value of equity to book value of debt ratio is 110%, EBIT to total assets is 14.5% and sales is 1.2 times its total assets. Is the company headed for bankruptcy? Comment.	4	5
Q3	a) If a company's shares are valued at Rs. 20 per share, and it has issued 10 crore shares, the market value of the debt that the company has taken is Rs. 5 crore, and the company has an investment portfolio worth Rs. 3 crore. The company also has Rs. 2 crore in the form of bank / cash. Compute Enterprise Valuation. b) If the company's EBIDTA is projected at Rs. 20 crore, and the peer group EBIDTA multiple is 20 times, then what is the value of the company?	4	3+3
Q4	Explain with examples the need for relative valuation of companies.	4	5
Q5	Discuss the difference between equity valuation and firm valuation.	1	4