JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -1 EXAMINATION- 2026

BBA-V Semester (Finance Elective)

COURSE CODE (CREDITS): 24B11HS512 MAX. MARKS: 15

COURSE NAME: Financial Valuation and Modelling

COURSE INSTRUCTOR: TGM MAX. TIME: 1 Hour

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

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

(c) ***Use of calculator is allowed***

Q.No	Question	CO	Marks
Q1	Compare and contrast the MM Hypothesis with taxes with the MM Hypothesis without taxes.	1	5
Q2	Why has the significance of valuation of companies increased in the recent times? Explain briefly the common approaches to valuation.	1	3+2
Q3	Zebra Ltd. has a net operating income of Rs. 30,00,000 on an investment of Rs. 1,00,00,000 in assets. It can raise debt at a 14% rate of interest. Assume that taxes do not exist. Using the NI approach and an equity capitalisation rate of 16%, compute the total value of the firm and the weighted average cost of capital if the firm has (1) no debt, (2) Rs. 40,00,000 debt, (3) Rs. 70,00,000 debt.	2	5