# Online Assessment (Even Sem/Part-I/Part-II Examinations 2019 - 2020

Course Name - Business Analysis and Valuation
Course Code - BBA604F_BBA604F(BL/OLD)

* You can submit the form ONLY ONCE.
* Fill the following information for further process.

* Required

1. Email address *

2. Name of the Student *

3. Enter Full Student Code *

4. Enter Roll No *

5. Enter Registration No *

6. Enter Course Code *

7. Enter Course Name *

8. Select Your Programme *

*Mark only one oval.*

- D.PHARM
- B.SC.(CS)
- B.SC.(HN)
- B.A.(MW)
- BBA
- B.COM
- BCA
- M.SC.(CS)
- M.SC.(HN)
- M.A.(MW)
- MBA
- MCA
- M.TECH(CSE)

Answer all the questions. Each question carry one mark.

9. 1. The objective of accounting analysis is typically not to

*Mark only one oval.*

- Identify areas in the financial statements that are most strongly affected by management's discretionary accounting choices
- Identify accounting choices that are most critical to a firm's accounting performance
- Assess whether the financial statements fully comply with accounting conventions and regulations
- Understand management's reporting incentives and strategy

10. 2. Which of the following factors is not relevant in evaluating a firm's accounting strategy?

*Mark only one oval.*

- Management's incentives to manage earnings
- The presence of mandatory changes in accounting policies
- Average accounting choices in the industry
- Accuracy of past accounting estimates

11. 3. Industry profitability is a function of

*Mark only one oval.*

- Rivalry among existing firms
- Competitive advantage of industry members
- Bargaining power of customers
- Rivalry among existing firms, Bargaining power of customers, and other factors

12. 4. The price sensitivity of customers in the hotel industry

*Mark only one oval.*

- Varies depending on what day of the week it is.
- Is positively affected by the availability of web booking systems and the resulting price transparency in the industry
- Is negatively affected by the lack of hotels in a particular geographical area
- None of these

13. 5. Static analysis will mean-

*Mark only one oval.*

- Horizontal analysis
- Vertical analysis
- Comparative analysis
- Trend analysis

14. 6. Ideal current ratio is-

*Mark only one oval.*

- 1:1
- 2:1
- 2.5:1
- 0.5:1

15. 7. The relationship between two financial variables can be expressed in:

*Mark only one oval.*

- Pure ratio form
- Percentage ratio
- Rate or time
- None of these

16. 8. Profit for the objective of calculating a ratio may be taken as

*Mark only one oval.*

- Profit before tax but after interest
- Profit before interest and tax
- Profit after interest and tax
- All of these

17. 9. General Profitability ratios are based on

*Mark only one oval.*

- Investment
- Sales
- Both Investment & Sales
- None of these

18. 10. Gross Profit ratio is also termed as

*Mark only one oval.*

- Closing stock is deducted from cost of goods sold
- Closing stock is added to cost of goods sold
- Closing stock is ignored
- None of these

19. 11. Given Sales is 1, 20,000 and Gross Profit is 30,000, the gross profit ratio is

*Mark only one oval.*

- 24%
- 25%
- 40%
- 44%

20. 12. The definition, “The term accounting ratio is used to describe significant relationship which exist between figures shown in a balance sheet, in a profit and loss account, in a budgetary control system or in a any part of the accounting organization” is given by

*Mark only one oval.*

- Biramn and Dribin
- Lord Keynes
- J. Betty
- None of these

21. 13. Net profit before tax Rs.50,000; Tax rate 50%; 10% Preference share capital in Rs10 share Rs50,000 and equity share capital in Rs.10 share Rs.50,000. Hence Earnings per share will be-

*Mark only one oval.*

- Rs.10
- Rs.5
- Rs.4
- Rs.15

22. 14. In case of financial enterprise, the cash flow resulting from interest and dividend received and interest paid should be classified as outflow from-

*Mark only one oval.*

- Operating activities
- Financing activities
- Investing activities
- Not cash flows

23. 15. The ______ is a common term for the market consensus value of the required return on a stock.

*Mark only one oval.*

- Dividend payout ratio
- Intrinsic value
- Market capitalzation rate
- None of these

24. 16. Company B has expected ROE of 9%. If plough back policy is 10% of earnings, then dividend growth rate is-

*Mark only one oval.*

- 90%
- 10%
- 9%
- 0.9%

25. 17. As the concentration ratio of an industry increases, XYZ Company has more bargaining power with its suppliers and customers. Which of the following agree with the above statement?

*Mark only one oval.*

- The company's accounts receivable turnover increases
- The company's accounts payable turnover increases
- The company's prepaid accounts turnover increases
- Both The company's accounts receivable turnover increases and The company's accounts payable turnover increases

26. 18. ________ is equal to (common shareholders' equity/common shares outstanding).

*Mark only one oval.*

- Book value per share
- Liquidation value
- Market value per share
- Tobin's Q

27. 19. _______ is the amount of money per common share that could be realized by breaking up the firm, selling the assets, repaying the debt, and distributing the remainder to shareholders.

*Mark only one oval.*

- Book value per share
- Liquidation value per share
- Market value per share
- Tobin's Q

28. 20. You wish to earn a return of 13% on each of two stocks, X and Y. Stock X is expected to pay a dividend of $3 in the upcoming year while Stock Y is expected to pay a dividend of $4 in the upcoming year. The expected growth rate of dividends for both stocks is 7%. The intrinsic value of stock X ____

*Mark only one oval.*

- Will be greater than the intrinsic value of stock Y
- Will be the same as the intrinsic value of stock Y
- Will be less than the intrinsic value of stock Y
- Will be less than the intrinsic value of stock X

29. 21. FGM company is expected to pay a dividend of Rs.8 in the upcoming year. Dividends are expected to decline at the rate of 2% per year. Dividends are expected to decline at the rate of 2% per year. Risk free rate of return is 6% and expected return on market portfolio is 14%. It has a beta value of -0.25. Then required return on stock is-

*Mark only one oval.*

- 2%
- 4%
- 6%
- 8%

30. 22. Average P/E multiple of oil industry is 20. An oil is expected to have an EPS of Rs.3.00 in the coming year. Intrinsic value of its share will be-

*Mark only one oval.*

- Rs.28.12
- Rs.35.55
- Rs.60.00
- Rs.72.00

31. 23. Suppose P/E multiple of ans industry is 16. A company belonging to that industry has EPS of Rs.4.50 in the coming year. Intrinsic value of its share is

*Mark only one oval.*

- Rs.28.12
- Rs.35.55
- Rs.63.00
- Rs.72.00

32. 24. A company is expected to pay a dividend of Rs.3.50. in the coming year. It is expected to grow at 10% per year. Risk free rate is 5%. and expected return on market portfolio is 13%. Share is trading today at Rs.90. approximate beta value is-

*Mark only one oval.*

- 0.8%
- 1%
- 1.1%
- 1.4%

33. 25. In dividend discount model, which of the following are not incorporated into the discounting rate.

*Mark only one oval.*

- Real risk free rate
- Risk premium for stock
- Return on assets
- Expected inflation rate

34. 26. If the acquisition made by paying cash, then it is-

*Mark only one oval.*

- Taxable
- Considered as exchange of share and so not taxed
- Tax free as no capital gain is recognized
- None of these

35. 27. Firm A is planning to acquire Firm B. If Firm A prefers to make a cash offer for the merger it indicates that:

*Mark only one oval.*

- Firm A's managers are optimistic about the post merger value of A
- Firm A's managers are pessimistic about the post merger value of A
- Firm A's managers are neutral about the post merger value of A
- None of these

36. 28. A business deal in which all publicly owned stock in a firm is replaced with complete equity ownership by a private group is called

*Mark only one oval.*

- Tender offer
- Going private transaction
- Proxy context
- Leveraged buy outs

37. 29. The acquisition of a firm involved with a different production process stage than the bidder is called a ----------- acquisition

*Mark only one oval.*

- Horizontal
- Vertical
- Conglomerate
- Take over

38. 30. A merger in which an entirely new firm is created and both the acquired and acquiring firms cease to exist is called a

*Mark only one oval.*

- Divestiture
- Consolidation
- Spin off
- Conglomeration

39. Submission ID (skip this field) *

⚠ DO NOT EDIT this field or your time will not be recorded.