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Avinashilingam Institute for Home Science and Higher Education for Women
Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)
Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination – May 2025
IV Semester

Class : II UG
Major : B.Com CS

Time: 3 Hours
Max. Marks: 100

23BCRSE2B Valuations and Business Modeling

Course Outcomes:

- CO1: Understand the importance of business valuations and its process.
- CO2: Acquire knowledge on business valuation.
- CO3: Analyze and identify strategies to value and manage tangible assets.
- CO4: Develop the skills to value and manage the intangible assets.
- CO5: Compute the business valuation modeling technique.

Part A

10 x 1 = 10

Choose the Correct Answer

1. The fundamental principle of business valuation states that: CO1 K2
 - a. Valuation should be based on current market trends
 - b. Valuation depends on the purpose of the business owner
 - c. Valuation must reflect future earnings potential
 - d. Business valuation is fixed and does not change over time
2. Which of the following is a major challenge in business valuation? CO1 K2
 - a. Availability of accurate financial data
 - b. Standardized valuation methods
 - c. Government incentives
 - d. Unlimited access to capital
3. Which factor is most important in the Market Value Valuation Method? CO2 K2
 - a. Historical financial records
 - b. Comparable company valuations
 - c. Cost of production
 - d. Employee strength
4. Which multiple is commonly used in the Comparable Market Multiples Method? CO2 K3
 - a. Price-to-Earnings (P/E) ratio
 - b. Number of employees per department
 - c. Customer complaints per year
 - d. Office size per square foot
5. The most commonly used method to value tangible assets is _____. CO3 K2
 - a. Cost approach
 - b. Future income method
 - c. Employee performance review
 - d. Business goodwill assessment
6. The main factor influencing the valuation of ships and barges is _____. CO3 K2
 - a. Age, condition, and operating efficiency
 - b. Number of passengers on board
 - c. The captain's experience
 - d. Fuel used in the engines
7. What is the main benefit of customer loyalty programs for businesses? CO4 K2
 - a. Increase in employee retention
 - b. Stronger relationships with suppliers
 - c. Enhanced customer retention and repeat sales
 - d. Reduction in office maintenance costs
8. Which of the following intangible assets is typically amortized? CO4 K2
 - a. Trademarks
 - b. Goodwill
 - c. Patents
 - d. Land
9. What does the PMT function in a spreadsheet calculate? CO5 K2
 - a. Principal amount of a loan
 - b. Monthly or periodic loan payments
 - c. Future value of an investment
 - d. The maximum value in a column
10. Which function is used in spreadsheets to compute Present Value (PV)? CO5 K2
 - a. =PV(rate, nper, pmt, fv, type)
 - b. =FV(rate, nper, pmt, pv, type)
 - c. =VLOOKUP(value, table, column, FALSE)
 - d. =SUM(range)

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. What are the key factors that influence business valuation?
(or)
- 11.b. What are the common bottlenecks in business valuation?
- 12.a. Explain the market value valuation method with an example.
(or)
- 12.b. What are the key components of the Discounted Cash Flow (DCF) method?
- 13.a. What are the key methods used for valuing tangible assets?
(or)
- 13.b. How is plant and machinery valuation performed?
- 14.a. Explain the importance of trademarks and trade names.
(or)
- 14.b. What are intangible assets? Provide examples.
- 15.a. What is the Time Value of Money (TVM)?
(or)
- 15.b. What are the important spreadsheet functions used in financial modelling?
- CO1 K3
CO1 K3
CO2 K3
CO2 K3
CO3 K4
CO3 K4
CO3 K4
CO4 K5
CO5 K5
CO5 K5

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 16.a. Explain the different approaches to business valuation with examples.
(or)
- 16.b. Discuss the principles of business valuation and their significance.
- 17.a. Compare and contrast the Comparable Transactions Method and the Comparable Market Multiples Method.
(or)
- 17.b. Explain the ROI-Based Valuation Method and its applicability.
- 18.a. Explain the process of land and building valuation.
(or)
- 18.b. How are ships, barges and industrial plots valued?
- 19.a. Differentiate between trademarks, trade names, and certification marks.
(or)
- 19.b. What are customer-related and supplier-related intangible assets?
Explain with examples.
- 20.a. Explain the significance and usage of spreadsheets in financial modelling.
(or)
- 20.b. Explain the concept of Time Value of Money with formulas and examples.
- CO1 K3
CO1 K3
CO2 K5
CO2 K5
CO3 K4
CO3 K4
CO4 K4
CO4 K4
CO5 K5
CO5 K5
