

**M.Com. IV Semester Degree Examination, Sept./Oct. - 2024**

COMMERCE
B. Financial Modeling
NEP

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with Question No.1 **is Compulsory**. Each question carries **fourteen** Marks.

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|----|---------------------------------------------------------------|----|
| 1. | (a) Explain excel commands of financial functions. | 7 |
| | (b) What are the attributes of good Excel model ? | 7 |
| 2. | Profit & Loss Account (For the Year Ending December 31, 2023) | 14 |

Particulars	Amount (Rs.)
Revenue	
Sales Revenue	5,00,000
Other Income	20,000
Total Revenue	5,20,000
Expenses :	
Cost of Goods Sold	3,00,000
Administrative Expenses	50,000
Depreciation	10,000
Interest Expense	45,000
Other Expenses	5,000
Total Expenses	4,10,000
Net Profit Before Tax	1,10,000
Net Profit After Tax	77,000



Balance sheets of ABC for two years

Assets	Amount (Rs.)	Amount (Rs.)
Current Assets		
Cash and Cash Equivalents	30,000	50,000
Accounts Receivable	40,000	45,000
Inventory	50,000	55,000
Total Current Assets	1,20,000	1,50,000
Non- Current Assets		
Property, Plant & Equipment	1,00,000	90,000
Intangible Assets	10,000	10,000
Total Non- Current Assets	1,10,000	1,00,000
Total Assets	2,30,000	2,50,000
Liabilities and Equity		
Current Liabilities		
Accounts Payable	30,000	40,000
Short-Term Debt	20,000	25,000
Total Current Liabilities	50,000	65,000
Non-Current Liabilities		
Long-Term Debt	60,000	50,000
Total Non-Current Liabilities	60,000	50,000
Equity		
Share Capital	1,00,000	1,00,000
Retained Earnings	20,000	35,000
Total Equity	1,20,000	1,35,000
Total Liabilities and Equity	2,30,000	2,50,000

From these financial statements, prepare forecasting balance sheet and cash flow statement for March 31, 2025.

3. (a) Write a note on some basic issues in financial planning and investment. **7**
- (b) Explain model for return with changing reinvestment rate with example of assumptions. **7**



4. (a) The following information is about a bond: Face Value: Rs. 1,000; Coupon Rate: 6% per annum; Annual coupon Payments: Rs.60; Maturity: 5 years; Current Yield to Maturity (YTM): 5%. Calculate the duration of the bond. **7**
- (b) What is yield curve ? Explain its types. **7**
5. (a) Company XYZ is in the technology sector and is being evaluated for potential investment. The following information is available : **7**
 Company XYZ's Financials: Earnings Per Share (EPS): Rs. 3.50 Book Value Per Share (BVPS): Rs. 20.00, Sales Per Share (SPS): Rs. 50.00, EBITDA: Rs. 500 million, Number of shares outstanding: 100 million, Debt: Rs. 200 million, Cash: Rs. 50 million, Comparable Companies' Multiples: P/E Ratio: 15; P/B Ratio: 2.5; P/S Ratio: 3; EV/EBITDA Ratio: 12.
 Estimate the value of Company XYZ's stock using the given multiples.
- (b) Discuss the methods of equity valuation. **7**
6. (a) Discuss steps in creating model. **7**
- (b) Explain FCFF and FCFE. **7**
7. (a) How do you differentiate between real return and nominal return ? **7**
- (b) Write a note on different types bond risks. **7**
8. Write a note on : **7**
- (a) Excel errors **5**
- (b) Football Field Chart **5**
- (c) Sensitivity Analysis. **4**

