

Time:- 2.30

Marks 75

Q.1 A) State Whether the following are True or False (Any Eight)

(08)

1. Value and price are same.
2. Shareholders provide capital to business.
3. Goodwill is a tangible asset.
4. Brand is not product's name.
5. Trademark is an intellectual property.
6. Depletion means depreciation of Natural Resources.
7. Land is not depreciated in its ordinary circumstances.
8. Non Trading Income included in profit should be eliminated.
9. Intangible assets are not physical in nature.
10. Yield value depends on net Profit.

B) Match the column (Any Seven)

(07)

- | A | B |
|-----------------|-------------------------------|
| 1. Building | a. Excess of Actual Profit |
| 2. Value | b. Property |
| 3. Super Profit | c. Net Asset Value |
| 4. Patent | d. Utility |
| 5. NAV | e. Tangible |
| 6. Price | f. Intangible |
| 7. Copy Right | g. Future Maintainable Profit |
| 8. Goodwill | h. Symbol |
| 9. FMP | i. Music |
| 10. Trade Mark | k. Exchange Value |

Q.2 A) Discuss various principals of valuation.

(15)

OR

B) Distinguish Between Value and Price.

(08)

C) Explain the various purpose of valuation.

(07)

Q.3 A) What do you mean by Discounted Cash Flow? State the advantages of DCF.

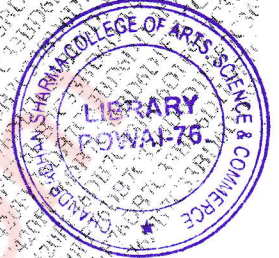
(08)

B) Find the Net Present Value of the Following cash inflow and also state whether the investment is worthwhile, when cash outflow is Rs. 30,000 /- and cost of capital is 10%

(07)

Year	Cash Inflows (Rs)
1	10,000
2	8,000
3	12,000
4	15,000
5	6,000

OR



Q.3 C) Discuss the Yield Method of Share valuation.

(08)

D) Find the Net Present Value for the following when cash outflow is 50,000 and cost of capital is 12%

(07)

Year	Cash Inflows (Rs)
1	22,000
2	12,000
3	10,000
4	8,000
5	5,000

Q. 4 A) From the following information, compute the value of an equity shares of Pritam Ltd. (15)
On Net Asset Method, Yield Method, Fair Value Method.

Balance Sheet as on 31/12/2016

Liabilities	Amount (Rs)	Assets	Amount(Rs)
Share capital		Land	2,20,000
600, 10% Preference share of Rs. 100 Each	60,000	Plant	2,40,000
500 Equity shares of Rs.100 Each.	5,00,000	Stock	1,20,000
Reserves	2,00,000	Sundry Debtor	50,000
Secured loan		Cash in bank	1,00,000
600, 9% Debentures of Rs100 Each.	60,000	Cash in Hand	60,000
Sundry Creditors	60,000	Investment in 10% Govt. securities	60,000
		Preliminary Expenses.	30,000
	8,80,000		8,80,000

- On 31/12/2016, goodwill was valued at Rs. 3,00,000.
- The Average Net Profit earned is Rs. 1,50,000.
- 10% of profit earned, transferred to Reserves every year.
- A return of 10% on the investment is considered fair in the industry.

OR

Q.4 B) Mr. Amar Intents to invest Rs. 50,000 /- in equity shares in a limited company. (15)
Following are the informations. Calculate Goodwill -

Particulars	Rs.
6% Preference shares of Rs. 10 each	4,00,000
Equity shares Of Rs. 10	2,00,000
Total	6,00,000

- Average net profit is Rs. 70,000
- Expected Normal yield is 8% incase of equity.
- Total Tangible assets are Rs. 9,00,000 and total outstanding liabilitis are Rs. 1,00,000
- Goodwill is value at 5 Years purchase of super profit.
- Consider closing employed as average capital employed.

Q.5 A) What is Patent? Explain the types and benefit of Patent in detail. (15)

OR

Q.5 B) Short Notes (Any Three) (15)

1. Relative Valuation
2. Self Constructed Fixed Assets
3. Types of Goodwill Valuation
4. Copyrights
5. Brands
