NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, NIET BUSINESS SCHOOL, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

PGDM

TRIMESTER: IV - THEORY EXAMINATION (2024 -2025)

Subject: Financial Modeling

Time: 2.5 Hours

Max. Marks: 60

General Instructions:

IMP: *Verify that you have received the question paper with the correct course, code, branch etc.*

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION-A
15

1. Attempt all parts:-

1-a.   Concentration operator perform:(CO1,K1)   1

    (a)   Join two strings

    (b)   Perform addition

    (c)   Count row

    (d)   None

1-b.   Financial modelling is used by: (CO2,K1)   1

    (a)   Investor

    (b)   Top management

    (c)   Portfolio Managers

    (d)   All

1-c.   Solvency ratio in financial modelling measure.(CO3,K1)   1

    (a)   Over all health of company

    (b)   Profitability

    (c)   Liability

    (d)   None

1-d.   Brokerage firm take account of :(CO4,K1)   1

    (a)   Sell side research

    (b)   identification

     (c)   Reduction in asset value over time

     (d)   None.

1-e.   Equity Valuation based on discounting cash flow is :(CO5,K1)   1

     (a)   GGM

     (b)   DDM

     (c)   DCF

     (d)   None

2. Attempt all parts:-

2.b.   Explain pivot table and list its uses.(CO1,K1)   2

2.a.   Explain the need of automation in financial modelling(CO2,K1)   2

2.c.   Illustrate types of financial model (CO3,K2)   2

2.d.   Define efficient portfolio frontier.(CO4,K2)   2

2.e.   List basic assumption of Gordon growth model of valuation (CO5,K1)   2

SECTION-B   15

3. Answer any <u>three</u> of the following:-

3-a.   Illustrate the importance of pivot table in financial modelling with example.(C01,K1)   5

3-b.   Explain the importance of financial modelling in Banking sector.(CO2,K2)   5

3.c.   Explain the importance of peer to peer analysis in financial modelling.(CO3,K2)   5

3.d.   Explain the difference and uses of variance and standard deviation in equity research modelling(CO4,K2)   5

3.e.   Explain the objective and uses of Dividend discount model of valuation and comment how it is useful for projecting growth.(CO5,K2)   5

SECTION-C   30

4. Answer any <u>one</u> of the following:-

4-a.   Prepare a revenue sheet containing at least 10 data set , which includes ,Sr no , invoice no, amount for three yr. depict the the use of vlook, look up and offset function with the help of these variable.(CO1,K1)   6

4-b.   Explain how excel function enables the automation of financial model(CO1,K1)   6

5. Answer any <u>one</u> of the following:-

5-a.   Explain LBO and forecasting model.(CO2,K2)   6

5-b.   Depict the format used in income statement analysis based on historical data. and define all its financial indicators.(CO2,K2)   6

6. Answer any <u>one</u> of the following:-

6-a.   Explain the importance and objective of capex schedule.(CO3,K1)   6

6-b.   Illustrate how capex schedule help in evaluating the capital structure of an organisation.(CO3,K2)   6

7. Answer any <u>one</u> of the following:-

7-a. Why modern portfolio theory is important for risk management (CO4,K2) 6

7-b. Explain the importance of co-variance matrix in financial modelling.(C04,K2) 6

8. Answer any <u>one</u> of the following:-

8-a. Explain the difference between balance sheet and multiplier model.(CO5,K2) 6

8-b. Explain which is the most ideal method of valuation of stock and why.(CO5,K2) 6