

# END TERM EXAMINATION

FIFTH SEMESTER [BBA] JANUARY 2024

Paper Code: BBA-313

Subject: Financial Modeling

Time: 3 Hours

Maximum Marks: 75

**Note: Attempt five questions in all including Q. No.1 which is compulsory. All questions carry equal marks.**

- Q1 (a) What is conditional formatting? What are its advantages? How is it executed in MS-Excel?  
(b) What are macros? What purpose do they serve in financial modelling?
- Q2 What is sensitivity analysis in financial models? How does scenario manager in Excel software helps in assessing the impact of change in one variable on the others?
- Q3 What is financial modeling? What are the different types of financial models which can be created with the help of MS-Excel spreadsheet software? Explain the process of developing a financial model in MS-Excel.
- Q4 What is the meaning of discounted cash flows? Explain the meaning of Free cash flows available for equity share holders (FCFE) and Free cash flows available for firm (FCFF) and make a distinction between them. How are the two cash flows computed?
- Q5 Explain the following:-  
(a) Relative valuation model  
(b) Price to Earnings Ratio  
(c) Dividend Discount Model  
(d) Retained Earnings  
(e) Probabilistic analysis in valuation model
- Q6 (a) What is net present value of a project? How is it computed for a project with the help of MS-Excel?  
(b) What is time value of money? Explain the procedure of computing the present value of a future sum of money in spreadsheet software.
- Q7 What is cost of capital? How is it computed for equity and debt? How is weighted average cost of capital calculated? Explain with the help of an example. Which formulas can be used in MS - Excel for this?
- Q8 Explain the following functions of MS - Excel used for financial modelling:  
(a) PMT function  
(b) IPMT function  
(c) PPMT function  
(d) V-lookup function  
(e) H-lookup function

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