GL BAJAJ
Institute of Management & Research. PGDM Institute
FIND YOUR SPARK
GREATER NOIDA (Approved by A.I.C.T.E., Ministry of HRD, Govt. of India)

Roll No…………

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

# POST GRADUATE DIPLOMA IN MANAGEMENT (2021-23)
# END TERM EXAMINATION (TERM - V)

| | |
|---|---|
| Subject Name: Equity and M&A Modelling | Time: **02.30 hrs** |
| Sub. Code: PGF-53 | Max Marks: **40** |

**Note:**

**All questions are compulsory. Section A carries 5 marks: 5 questions of 1 marks each, Section B carries 21 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study/ Analysis (with internal choice)**

## SECTION - A

Attempt all questions. All questions are compulsory. **1×5 = 5 Marks**

Q. 1: (A). What is a pitch book?
Q. 1: (B). What do you understand by post money valuation?
Q. 1: (C). List down the most common types of financial modelling.
Q. 1: (D). What do you understand by football field analysis?
Q. 1: (E). What are fast standards? What does each letter of FAST stands for?

## SECTION – B

All questions are compulsory (Each question have an internal choice. Attempt anyone (either A or B) from the internal choice) **7 x 3 = 21 Marks**

**Q. 2: (A).** A financial model is a tool that displays possible solutions to a real-world financial problem. Creating financial models requires a systematic approach. Discuss in detail the steps for building a financial model.

**Or**

**Q. 2: (B).** What do you understand by pre money and post money valuation? Explain with the help of appropriate examples.

**Q. 3: (A).** What are the three broad categories or mandates of a pitch book. Explain with the help of appropriate examples.

**Or**

**Q. 3: (B).** Discuss any two typical motivations of companies deciding to go public and raise money through IPO.

**Q. 4: (A).** The following financial data of a firm is available:

- Net Income = 3000 lakh
- Dep = 400 lakh
- Capital Expenditure = 200 Lakh
- Working Capital = 200 Lakh
- Net Borrowings = 400 lakh
- Interest = 90 Lakh
- Tax= 30%

Compute FCFE

**Or**

**Q. 4: (B).** An investor invests Rs 3 million in convertible debt of a start-up firm. The shares outstanding are 150000. The valuation cap is set at $6 million with a conversion discount of 20%. In the first series of equity financing, a PE firm invested Rs 2 million at a pre money valuation of Rs 8 million. How many shares will be issued to the investor when he converts his debt into equity.

## SECTION - C

This question is compulsory (There is an internal choice. Attempt anyone (either A or B) from the internal choice)

Read the case and answer the questions **14 Marks**

Q. 5A: Your company has provided you with the following in Excel format (Attached Data Sheet)

- Historical three-year financial statement data
- The assumptions outline sheet
- The schedule outline sheet

You have been asked to complete the assumptions sheet, the schedules etc and build a 4 four year forecasted three statement financial model. Based on the historical trend you can take your own assumptions to complete the model.

Or

Q. 5B: What do you understand by EIC analysis? With the help of relevant explanation and example discuss any one model/ technique used in the industry analysis stage.
Analyze the pharmaceutical industry using EIC analysis. Apply various methods of industry analysis.

**Mapping of Questions with Course Learning Outcome**

| Question Number | COs | Bloom's taxonomy level | Marks Allocated |
|---|---|---|---|
| Q. 1: | CLO1 | L1 | 5 marks |
| Q. 2: | CLO2 | L1 & L2 | 7 marks |
| Q. 3: | CLO4 | L1, L2 | 7 marks |
| Q. 4: | CLO3 | L3 | 7 marks |
| Q. 5: | CLO2 | L3 | 14 marks |