

SYLLABUS-2012

Paper 20 : Financial Analysis & Business Valuation

COMMENTS ON STANDARD OF QUESTIONS:

The standard of the questions asked as up to the mark. The questions were well set to check the candidate's analytical ability, Conceptual skill and theoretical knowledge in practical situation. It was duly balanced covering 100% of the syllabus.

COMMENTS ON THE PERFORMANCE OF THE EXAMINEES AND GUIDELINES TO THEM

- The overall performance has not been upto the level which may be excepted from the student desirous of entering into the profession of high expertise and knowledge.
- Their answers exhibited lack of systematic and logical approach, clear presentation, proper and adequate conceptual and analytical explanation.
- They had poor knowledge of concepts and also lacked in adequate practice to solve diverse range of practical problems.
- The quality of most of the answers reflected examinees' lack of analytical ability and in-depth knowledge in the concerned subject.
- Certain candidates did not start answer to each question on a FRESH PAGE as instructed by the institute.
- More questions having different parts were answered by some of the examinees at different places of their Answer Books.

SPECIFIC COMMENTS

Question No.1 :

Most of the examinees failed to answer to questions (i) & (ii) due to lack of conceptual knowledge of DU PONT analysis. Their performance have been quite dismal.

Question No.2:

Most of the examinees could get few steps/points right. Very few got answer correct. The overall performance was not up to the mark.

Question No.3:

Most of the examinees could get few steps/points right. Few examinees performed good. The overall performance was of average level.

Question No.4 (a):

The answers of most of the examinees exhibited lack of conceptual knowledge of liquid ratio. The overall performance was below the average level.

Question No.4 (b):

Most of the examinees could get few steps/points right. Some of them performed good. The overall performance was above the average level.

Question No.5:

This question was answered by and large good by almost of the examinees. The overall performance was well.

Question No.6 (a):

Most of the candidates failed to calculate the conversion value and conversion premium due to lack of concept of the subject matter. The overall performance was below the average level.

Question No.6 (b):

This question was answered correctly by most of the examinees. The overall performance was good.

Question No.7 (a):

Most of the examinees could get few steps/point correct. Very few got the answer correct. The overall performance was very poor.

Question No. 7 (b):

Most of the examinees could get few steps correct. Some of them performed well. The overall performance was of average level.

Question No. 8 (a):

Most of the examinees could get few steps correct. Very few examinees performed well. The overall performance was below the overage level.

Question No.8 (b):

Most of the examinees failed to answer correctly due to lack of conceptual knowledge of valuation of the company under the firms approach. Their performances have been quite dismal.

Question No.9:

Most of the examinees failed to answer correctly due to lack of conceptual knowledge of business valuation under different growth phases. The overall performance was not upto the mark.

Question No.10:

Almost of the examinees failed to answer correctly due to lack of conceptual knowledge of economic value added (EVA). The overall performance was below the average level.

Date: 09.08.2014

GENERAL GUIDANCE I SUGGESSTIONS TO THE EXAMINEES:

- **The examinees/students** are advised to read and understand the questions thoroughly and carefully before writing answers.
- **The examinees should** consult/read standard reference books of concern subject (latest editions)/study notes thoroughly and analytically.
- **Read the theoretical** portions before attempting the theoretical/practical problems. Only theoretical knowledge will help you to develop the conceptual and computation skills.
- **Adequate practice** of theoretical/practical model problems is essential to acquire command over the fundamentals of the subject matters.
- **Due attention** must be given towards orderly presentation of solutions of practical problems in suitable FORMAT along with sufficient working notes in order to secure good marks.
- **Comprehensive** preparation and acquiring in depth knowledge of the subject matters is extremely required.
- **Avoid beat** about the bush writing, unnecessary and irrelevant details in the answers to the questions.
- **Visit the Institute** website to get awareness regarding the answering to the questions.
- **Never** tend to indulge in selective studies.
- **Consult the past** questions and suggested answers of the Institute to know the pattern / standard of the questions and presentation of answers to the questions.