

Exam in: Financial Statement Analysis and Valuation

Course code: 2163

Date: 05/10/2010

Examiner: Bo-Göran Ekholm

Duration: 4 h

Help aids: --

Answer the following questions:

1. What is meant by “competitive advantage and value creation”? Describe the conceptual foundations. (Besanko & al.)
2. The starting point for analysis of a firm’s performance is its return on equity (ROE): What is the connection between ROE and ROA (ROI)? In which components can ROA (ROI) be decomposed and how can these components be analyzed? (Palepu & al. / lectures by Ekholm)
3. Palepu & al. describe five main areas of business analysis and valuation applications. Which are these areas? Give examples of the presumed types of applications.