

100% Money Back
Guarantee

Vendor:NACVA

Exam Code:CVA

Exam Name:Certified Valuation Analyst (CVA)

Version:Demo

QUESTION 1

Let's say that a company had 100,000 shares outstanding at the beginning of the year and issued 30,000 more shares on May 1. The 100,000 shares would be outstanding for four months and the 130,000 shares for eight months, or two-thirds of the year. The weighted average number of shares outstanding for the year would be:

- A. 100,000
- B. 120,000
- C. 140,000
- D. 180,000

Correct Answer: B

QUESTION 2

The determination of which asset-based method to use in a given valuation engagement should be a function of all of the following EXCEPT:

- A. The experience and judgment of the analyst
- B. The quantity and quality of available data
- C. The purpose and objective of the valuation
- D. Financial asset account categories

Correct Answer: D

QUESTION 3

It is possible to examine the uncertainty of income to the various suppliers of capital by investigating the uncertainty of income to the company. The greater the uncertainty of income to the company:

- A. The greater the uncertainty of the income to the investor in the company
- B. The lesser the uncertainty of the equity to the investor in the company
- C. The greater the uncertainty of the equity to the investor in the company
- D. The lesser the uncertainty of the income to the investor in the company

Correct Answer: A

QUESTION 4

As with any secondary sources, errors and inconsistencies occur, so the original source documents are the only

guarantees of absolute accuracy as a source of merger and acquisition data. Which one of the following is NOT out of those original source documents?

- A. Mergerstat Review
- B. The merger yearbook
- C. Buyouts, published every other week by securities data publishing
- D. Financial reports

Correct Answer: D

QUESTION 5

In a marital dissolution the parties may be concerned with the change in value that occurred during the marriage. In estate cases, the trustee, the executor, or personal representative will consider adopting the "alternative valuation date" (i.e.

six months after the date of death) to determine which is more advantageous. These are the examples of:

- A. Situations identifying valuation date
- B. Situations having more than one valuation dates
- C. Litigated cases
- D. Universally applicable methods to finalize valuation date

Correct Answer: B

QUESTION 6

_____ is a specialized classification of intangible and its categories are creative (e.g. copyrights) and innovative (e.g. patents).

- A. Intellectual properties
- B. Intellectual capital
- C. Both A and B
- D. Intellectual rights

Correct Answer: A

QUESTION 7

Below is a partial listing of possible scenarios in_____.

-100 % control

-More than a majority or supermajority, but less than 100%

-More than 50% but less than a supermajority, where state statutes or articles of incorporation require a supermajority

-50 %

-Less than 50 % but "effective control"

-Minority shares that control by voting block

A. Control spectrum

B. Control or lack of control spectrum

C. Discount for lack of control or minority discounts

D. B and C both are the same

Correct Answer: D

QUESTION 8

The instances and factors contributing to inadequate valuations for tax purposes by both taxpayer and IRS experts could easily fill an entire book of this size. Some of the most common inadequacies are the following EXCEPT:

A. The valuation is out of date

B. Lack of site visits and/or management interviews

C. Inadequate selection and/or analysis/explanation of selected (e.g. pricing multiples, discount/ capitalization rates, discounts/premiums)

D. Unsuccessful Daubert challenges

Correct Answer: D

QUESTION 9

_____ indicates that the collective going-on concern value of the total subject entity is less than the sum of the individual values of the entity's total tangible assets.

A. Goodwill

B. Positive goodwill

C. Negative goodwill

D. Trademarks

Correct Answer: C

QUESTION 10

_____ is the method that produces the largest, quickest depreciation deductions is the one most often selected by closely held businesses, since they are most eager to minimize reported taxable income.

- A. MACRS
- B. Declining balance method
- C. Straight –line method
- D. Sum-of-years

Correct Answer: A

QUESTION 11

An analysis of fixed and variable expenses will help the analyst understand:

- A. The extent to which increased or decreased volume will affect operating margins
- B. What can be done to make the company more profitable and what are the associated costs?
- C. The lack of compliance with revenues
- D. Overfunded and underfunded factors

Correct Answer: A

QUESTION 12

_____ is perhaps the most difficult task for the business appraiser.

- A. Getting two or more parties with different economic and business expectations to agree on projected future benefits and the risks associated with achieving those projections.
- B. Identification of partial interest.
- C. Selection of enterprise value premise.
- D. Estimation of invested capital

Correct Answer: A