



5(a) Abacus Nigeria Plc is contemplating acquiring Quotex Ltd. Presently, Quotex Ltd earns on average, N35,854,000 after tax annually. Abacus Plc assumes that after reorganization, the company can generate up to N45,564,000 per annum. The industry yield of Quotex Ltd is expected to be 25% on capital employed post-tax accounting return. What should Quotex Ltd be valued at?

**6 marks**

5(b) Identify and explain the three (3) types of financial risk inherent in organizational operations.

**9 marks**