

系所組別：財務金融研究所

考試科目：財務管理

考試日期：0306 · 節次：2

※ 考生請注意：本試題 可 不可 使用計算機

I. Multiple-Choice Questions (60%, each question accounts for 3%):

1. Margo's Dress Shoppe had the following values as of the end of last year and the end of this year. Which of the following are sources of cash for the year?

| | <u>Last year</u> | <u>This year</u> |
|---------------------|------------------|------------------|
| Accounts payable | \$890 | \$917 |
| Accounts receivable | 216 | 209 |
| Cash | 101 | 108 |
| Inventory | 922 | 892 |

- A. cash and accounts receivable B. cash and accounts payable
 C. accounts receivable and inventory D. cash, accounts payable, and inventory
 E. accounts payable, accounts receivable, and inventory

2. Which of the following help convince managers to work in the best interest of the stockholders?

- I. compensation based on the value of the stock
 II. stock option plans
 III. threat of a company takeover
 IV. threat of a proxy fight
- A. I and II only B. III and IV only C. I, II, and III only
 D. I, III, and IV only E. I, II, III, and IV

3. The Smith Co., which is currently operating at full capacity, has sales of \$3,000, current assets of \$800, current liabilities of \$400, net fixed assets of \$1,900, and a 6 percent profit margin. The firm has no long-term debt and does not plan on acquiring any. The firm does not pay any dividends. Sales are expected to increase by 9 percent next year. If all assets, liabilities, and costs vary directly with sales, how much additional equity financing is required for next year?

- A. \$10.80 B. \$40.00 C. \$103.50 D. \$196.20 E. \$207.00

4. Faith invests \$4,500 in an account that pays 4 percent simple interest. How much money will she have at the end of eight years?

- A. \$4,680 B. \$5,367 C. \$5,940 D. \$6,122 E. \$6,159

5. Your car dealer is willing to lease you a new car for \$199 a month for 72 months. Payments are due on the first day of each month starting with the day you sign the lease contract. If your cost of money is 5.45 percent, what is the current value of the lease?

- A. \$11,708.18 B. \$11,297.60 C. \$12,197.74 D. \$12,253.14 E. \$13,008.31

6. Culpepper Supply has a bond issue outstanding that pays a 7.5 percent coupon and matures in 14 years. The bonds have a par value of \$1,000 and a market price of \$942.90. Interest is paid semiannually. What is the yield to maturity?

(背面仍有題目,請繼續作答)

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A. 7.50 percent B. 7.67 percent C. 8.19 percent D. 8.60 percent E. 9.45 percent

7. A "fallen angel" is a bond that:

- A. lowered its annual interest payment.
- B. has moved from being a long-term obligation to being a short-term obligation.
- C. has moved from having a yield to maturity in excess of the coupon rate to having a yield to maturity that is less than the coupon rate.
- D. has moved from being an investment-grade bond to being a junk bond.
- E. is rated as Baa by one rating agency and rated as BBB by another rating agency.

8. The dividend growth model:

- I. assumes that dividends increase at a constant rate forever.
 - II. can be used to compute a stock price at any point in time.
 - III. states that the market price of a stock is only affected by the amount of the dividend.
 - IV. considers capital gains but ignores the dividend yield.
- A. I only B. II only C. III and IV only D. I and II only E. I, II, and III only

9. Which one of the following statements is correct?

- A. A positive NPV signals a reject decision.
- B. Projects should be accepted when the PI is less than one.
- C. A payback period that is greater than the required period signals an accept decision.
- D. When the IRR exceeds the required return, a project should be rejected.
- E. When the NPV is positive, both the PI and the IRR will indicate acceptance.

10. Which of the following should be included in the analysis of a project?

- I. sunk costs
 - II. opportunity costs
 - III. erosion costs
 - IV. noncash expenses
- A. I and II only B. III and IV only C. II and III only
D. II, III, and IV only E. I, II, and IV only

11. A project has a projected IRR of negative 100 percent. Which one of the following statements must also be true concerning this project?

- A. The discounted payback period equals the life of the project.
- B. The estimated sales volume is equal to the cash break-even level of sales.
- C. The estimated sales volume is equal to the financial break-even level of sales.
- D. The payback period is exactly equal to the life of the project.
- E. The net present value of the project is equal to zero.

12. A coworker is in charge of a project that has a degree of operating leverage of 2.0.

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What will happen to the operating cash flows if your coworker decreases the number of units sold by 10 percent?

- A. 10 percent decrease B. 20 percent decrease C. 5 percent increase
D. 10 percent increase E. 20 percent increase

13. One year ago, you purchased a stock at a price of \$40 a share. Today, you sold the stock and realized a total return of 30 percent. Your capital gain was \$8 a share. What was your dividend yield on this stock?

- A. 10 percent B. 20 percent C. 30 percent D. 40 percent E. 50 percent

14. The primary purpose of portfolio diversification is to:

- A. increase returns and risks. B. eliminate all risks. C. eliminate asset-specific risk.
D. eliminate systematic risk. E. lower both returns and risks.

15. Bertelli's is analyzing a project with an initial cost of \$55,000 and cash inflows of \$33,000 a year for two years. This project is an extension of the firm's current operations and thus is equally as risky as the current firm. The firm uses only debt and common stock to finance their operations and maintains a debt-equity ratio of .35. The after-tax cost of debt is 6 percent and the cost of equity is 11 percent. The tax rate is 34 percent. What is the projected net present value of this project?

- A. \$2,501 B. \$2,854 C. \$2,913 D. \$3,011 E. \$3,418

16. The optimal capital structure will tend to include more debt for firms with:

- A. the highest depreciation deductions. B. the lowest marginal tax rate.
C. substantial tax shields from other sources. D. low probabilities of financial distress.
E. less taxable income.

17. An agreement by two parties to exchange specified cash flows at specified intervals in the future is called a(n) _____ contract.

- A. floating B. spot C. option D. futures E. swap

18. The current spot rate is C\$1.1578 and the one-year forward rate is C\$1.1397. The nominal risk-free rate in Canada is 5 percent while it is 6 percent in the U.S. Using covered interest arbitrage you can earn an extra _____ profit over that which you would earn if you invested \$1 in the U.S.

- A. \$.0033 B. \$.0067 C. \$.0084 D. \$.0633 E. \$.0667

19. Which of the following variables is included in the Black-Scholes call option pricing formula?

- I. put premium II. stock beta III. exercise price IV. stock price
A. III and IV only B. I, II, and IV only C. II, III, and IV only
D. I, III, and IV only E. I, II, III, and IV

20. If you consider the equity of a leveraged firm to be an option on the firm's assets then the act of paying off debt is comparable to _____ on the assets of the firm.

(背面仍有題目,請繼續作答)

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- A. purchasing a put option
C. exercising an in-the-money put option
E. selling a call option
- B. purchasing a call option
D. exercising an in-the-money call option

II. Short-Essay questions (40%):

- 1 (10%) Discuss the various forms of market efficiency. Include in your discussion the information sets involved in each form and the relationships across information sets and across forms of market efficiency. Also discuss the implications for the various forms of market efficiency for the various types of securities' analysts.
2. (10%). Assuming only two risky assets exist and the correlation is equal to +1, 0.8, -0.8, and -1 respectively, please draw a graph of a typical efficient frontier and explain why the efficient frontier is shaped the way it is.
3. (10%) Please discuss the yield to call, and explain why investors in premium bond position often are more interested in the bond's yield to call rather than yield to maturity.
4. (10%) Consider the following statement by a project analyst: "I analyzed a project using best case, worst case and most expected case scenario analysis. I computed break-evens and degrees of operating leverage. I conducted sensitivity analysis and simulation analysis. I computed NPV, IRR, payback, AAR, and PI. In the end, I have over a hundred different estimates and am more confused than ever. I would have been better off just sticking with my first estimate and going with my gut feel." Critique this statement.