

科目：財務管理

適用：財金系

編號：252

考生注意：

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2. 答案必須寫在答案卷上，否則不予計分。
3. 限用藍、黑色筆作答；試題須隨卷繳回。

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Multiple Choice Questions (100 points, 2 points each)

1. The decisions made by financial managers should all be ones which increase the:
A) size of the firm. B) growth rate of the firm.
C) marketability of the managers. D) market value of the existing owners' equity.
E) firm's current sales.
2. A conflict of interest between the stockholders and managers of a firm is referred to as the:
A) stockholders' liability. B) corporate breakdown. C) agency problem.
D) corporate activism. E) legal liability.
3. An asset that can be quickly converted into cash without significant loss in value is referred to as being:
A) marketable. B) tangible. C) intangible. D) liquid. E) fixed.
4. Which one of these is a non-cash item?
A) Deferred taxes B) Interest expense C) Current taxes
D) Dividends E) Selling expenses
5. Ratios that measure a firm's financial leverage are known as _____ ratios.
A) asset management B) long-term solvency C) short-term solvency
D) profitability E) market value
6. Ratios that measure how efficiently a firm's management uses its assets and equity to generate bottom line net income are known as _____ ratios.
A) asset management B) long-term solvency C) short-term solvency
D) profitability E) market value
7. What effect will an increase in the discount rate have on the present value of a project that has an initial cash outflow followed by five years of cash inflows?
A) There will be no effect on the PV.
B) The PV will change but the direction of the change is unknown.

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- C) The PV will remain the same as the timing of the cash flows must change also.
- D) The PV will increase.
- E) The PV will decrease.
8. An interest rate that is compounded monthly, but is expressed as if the rate were compounded annually, is called the _____ rate.
- A) stated interest B) compound interest C) effective annual
- D) periodic interest E) daily interest
9. All else constant, the net present value of a typical investment project increases when:
- A) the discount rate increases.
- B) each cash inflow is delayed by one year.
- C) the initial cost of a project increases.
- D) the required rate of return decreases.
- E) all cash inflows occur during the last year instead of periodically throughout the project's life.
10. The internal rate of return for a project will increase if:
- A) the initial cost of the project can be reduced.
- B) the total amount of the cash inflows is reduced.
- C) each cash inflow is moved such that it occurs one year later than originally projected.
- D) the required rate of return is reduced.
- E) the discount rate is increased.
11. The net working capital of a firm will decrease if there is:
- A) a decrease in accounts payable.
- B) an increase in inventory.
- C) a decrease in accounts receivable.
- D) an increase in the checking account balance.
- E) a decrease in fixed assets.

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12. A project's operating cash flow will increase when the:
- A) depreciation expense increases.
 - B) sales projections are lowered.
 - C) interest expense is lowered.
 - D) net working capital requirement increases.
 - E) earnings before interest and taxes decreases.
13. An analysis of the relationship between the sales volume and accounting profitability is called _____ analysis.
- A) forecasting B) scenario C) sensitivity D) simulation E) break-even
14. All else constant, as the variable cost per unit for a project increases, the:
- A) contribution margin decreases.
 - B) sensitivity to fixed costs decreases.
 - C) project's net present value increases.
 - D) accounting break-even point decreases.
 - E) net profit increases.
15. The rate of return required by investors in the market for owning a bond is called the:
- A) coupon. B) face value. C) maturity. D) yield to maturity. E) coupon rate.
16. Interest rate risk _____ as the time to maturity decreases and _____ as the coupon rate decreases.
- A) decreases; increases B) decreases; decreases C) increases; increases
D) increases; decreases E) increases; is unaffected
17. The constant dividend growth model:
- A) is more complex than the differential growth model.
 - B) requires the growth period be limited to a set number of years.
 - C) is never used because firms rarely attempt to maintain steady dividend growth.
 - D) can be used to compute a stock price at any point in time.
 - E) most applies to stocks with differential growth rates.

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18. Enterprise value equals the:
- A) combined market value of debt and equity minus excess cash.
 - B) market value of equity minus the market value of debt plus excess cash.
 - C) market value of debt plus the book value of equity minus excess cash.
 - D) combined market value of debt and equity.
 - E) combined book value of debt and equity minus excess cash.
19. The capital gains yield plus the dividend yield on a security is called the:
- A) variance of returns.
 - B) geometric return.
 - C) average period return.
 - D) current yield.
 - E) total return.
20. The expected return on a portfolio:
- A) can be greater than the expected return on the best performing security in the portfolio.
 - B) can be less than the expected return on the worst performing security in the portfolio.
 - C) is independent of the performance of the overall economy.
 - D) is limited by the returns on the individual securities within the portfolio.
 - E) is an arithmetic average of the returns of the individual securities when the weights of those securities are unequal.
21. A beta coefficient reflects the response of a security's return to:
- A) the risk-free rate.
 - B) an unsystematic risk.
 - C) a systematic risk.
 - D) the market rate of return.
 - E) idiosyncratic risk.
22. The single-factor model generally uses _____ as the single factor.
- A) arbitrage fees
 - B) GNP
 - C) the inflation rate
 - D) the market risk premium
 - E) the risk-free return
23. If the CAPM is used to estimate the cost of equity capital, the expected excess market return is equal to the:
- A) return on the stock minus the risk-free rate.
 - B) return on the market minus the risk-free rate.
 - C) beta times the market risk premium.

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- D) beta times the risk-free rate.
- E) market rate of return.
24. The beta of a security is calculated as: (_____ of a security's return with the return on the market portfolio/_____).
- A) Variance; Covariance of the market return
- B) Covariance; Variance of the market return
- C) Covariance; Standard deviation of the market return
- D) Variance; Covariance of the security return
- E) Covariance; Variance of the security return
25. An efficient capital market is one in which:
- A) brokerage commissions are zero.
- B) taxes are irrelevant.
- C) securities always offer a positive NPV.
- D) all investments earn the market rate of return.
- E) security prices reflect all available information.
26. Which one of the following statements is true?
- A) Highly positive serial correlations are indicators of market efficiency.
- B) Abnormal returns limited to the announcement date are indicators of market inefficiency.
- C) Market studies indicate that stock markets are only weak form efficient.
- D) Studies seem to indicate stock markets are semistrong but not strong form efficient.
- E) Mutual funds provide little, if any, benefit to investors.
27. A grant of authority allowing someone else to vote shares of stock that you own is called a:
- A) power-of-share authorization. B) proxy. C) share authority grant (SAG).
- D) restricted conveyance. E) general right of execution.
28. Unsecured corporate debt is commonly referred to as:
- A) an indenture. B) a debenture. C) deferred debt.
- D) protected debt. E) collateralized debt.

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29. A firm should always select the capital structure which:
- A) produces the highest cost of capital. B) maximizes the value of the firm.
C) minimizes taxes. D) maximizes current dividends. E) has no debt.
30. The use of personal borrowing to change the overall amount of financial leverage to which an individual is exposed is called:
- A) homemade leverage. B) dividend recapture.
C) the weighted average cost of capital. D) private debt placement. E) personal offset.
31. Conflicts of interest between stockholders and bondholders are known as:
- A) trustee costs. B) financial distress costs. C) dealer costs.
D) agency costs. E) underwriting costs.
32. The pecking order states that firms should:
- A) use internal financing first.
B) always issue debt so the market won't know when managers believe the stock is overvalued.
C) issue new equity first.
D) issue debt first.
E) always issue equity to avoid financial distress costs.
33. The cost of equity should be lowest when the debt-to-equity ratio is:
- A) zero. B) .20. C) .25. D) .50. E) 1.00.
34. The annual dividend per share stated as a percentage of the annual earnings per share is called the:
- A) dividend yield. B) dividend per share. C) annual yield.
D) dividend rate. E) dividend payout.
35. The weighted average cost of capital is determined by _____ the weighted average cost of equity.
- A) multiplying the weighted average aftertax cost of debt by

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- B) adding the weighted average pretax cost of debt to
C) adding the weighted average aftertax cost of debt to
D) dividing the weighted average pretax cost of debt by
E) dividing the weighted average aftertax cost of debt by
36. Which one of the following is ~~not~~ a reason why firms choose repurchases rather than dividends?
A) Provide flexibility
B) Increase the value of existing stock options
C) Provide shareholders with a tax advantage
D) Offset dilution
E) Conserve cash
37. The market for venture capital refers to the:
A) private financial marketplace for servicing new, often high-risk firms.
B) corporate bond market.
C) market for selling unsubscribed rights.
D) market for selling seasoned equity securities.
E) public market for all issues of both company stocks and bonds.
38. If the lessor borrows the majority of the purchase price of a leased asset, the lease is called a:
A) leveraged lease.
B) ~~sale-and-leaseback~~ arrangement.
C) capital lease.
D) nonrecourse lease.
E) ~~bargain~~ purchase lease.
39. The fixed price in an option contract at which the owner can buy or sell the underlying asset is called the option's:
A) opening price.
B) intrinsic value.
C) strike price.
D) market price.
E) time value.
40. If a call option has a positive intrinsic value at expiration the call is said to be:
A) funded.
B) unfunded.
C) at the money.
D) in the money.
E) out of the money.

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41. Which one of the following is least apt to affect the value of a warrant?
- A) Exercise price B) Underlying stock price C) Risk-free interest rate
- D) Variance of underlying stock returns E) Market rate of return
42. A forward contract is described as agreeing today to either purchase or sell an asset or security:
- A) at a later date at a price to be set in the future.
- B) today at the current market price.
- C) at a later date at a price set today.
- D) if it is advantageous to do so in the future.
- E) with delivery today and payment in the future.
43. Which one of the following is a source of cash?
- A) An increase in accounts receivable.
- B) An increase in fixed assets
- C) A decrease in long-term debt
- D) The payment of a cash dividend
- E) An increase in accounts payable
44. The cost of holding cash:
- A) is the opportunity cost of the lost investment income.
- B) is zero because it is the most liquid asset a firm can hold.
- C) decreases as cash holdings increase.
- D) increases as market rates decline.
- E) is irrelevant in today's electronic world.
45. The complete absorption of one company by another, wherein the acquiring firm retains its identity and the acquired firm ceases to exist as a separate entity, is called a:
- A) merger. B) consolidation. C) tender offer. D) spinoff. E) divestiture.
46. When credit is granted by one firm to another firm this gives rise to a(n):
- A) accounts receivable and is called consumer credit.
- B) credit due and is called an installment note.
- C) accounts receivable and is called trade credit.

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- D) trade receivable and is called an installment note.
- E) trade receivable and is called a secured loan.
47. Periods of financial distress are most associated with:
- A) continued increases in earnings. B) steady growth. C) dividend reductions.
- D) increasing growth rates. E) decreasing production costs.
48. Money deposited in a financial center outside the country whose currency is involved is called:
- A) a foreign depository receipt. B) an international exchange certificate.
- C) an American Depository Receipt. D) Eurocurrency. E) Eurodollars.
49. The cross rate is:
- A) the inverse of the direct rate.
- B) an implicit rate based on two currencies and their individual relationships with a third currency.
- C) the rate converting the direct rate into the indirect rate.
- D) the average of the spot and forward rates.
- E) the link between the spot and forward rates.
50. What kind of trade involves agreeing today on an exchange rate for settlement in 90 days?
- A) Spot trade B) Market trade C) Forward trade
- D) Triangle trade E) Complex trade