

科目：財務管理

適用：財金系

編號：252

考生注意：

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Multiple Choice Questions (100 points, 2 points each)

1. A business created as a distinct legal entity is called a:
A) corporation. B) sole proprietorship. C) general partnership.
D) limited partnership. E) unlimited liability company.
2. An increase in total assets:
A) means that net working capital is also increasing.
B) requires an investment in fixed assets.
C) means that stockholders' equity must also increase.
D) must be offset by an equal increase in liabilities and stockholders' equity.
E) can only occur when a firm has positive net income.
3. The financial ratio that measures the accounting profit per dollar of book equity is referred to as the:
A) profit margin. B) price-earnings ratio. C) return on equity.
D) equity turnover. E) market profit-to-book ratio.
4. 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
5. Proposed projects should be accepted when those projects:
A) create value for the owners of the firm.
B) have a positive rate of return.
C) return the initial cash outlay within the life of the project.
D) have required cash inflows that exceed the actual cash inflows.
E) have an initial cost that exceeds the present value of the future cash flows.

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6. The cash flows of a project should:
- A) be computed on a pretax basis.
 - B) include all sunk costs and opportunity costs.
 - C) include all incremental and opportunity costs.
 - D) be applied to the year when the related expense or income is recognized by GAAP.
 - E) include all financing costs related to new debt acquired to finance the project.
7. The contribution margin:
- A) is dependent upon achieving a minimal level of output.
 - B) increases as the level of output decreases.
 - C) decreases as the level of output decreases.
 - D) has a major effect on the present value break-even point.
 - E) changes indirectly to a firm's tax rate changes.
8. 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.
9. All else constant, a coupon bond that is selling at a premium, must have:
- A) a coupon rate that is equal to the yield to maturity.
 - B) a market price that is less than par value.
 - C) semiannual interest payments.
 - D) a yield to maturity that is less than the coupon rate.
 - E) a coupon rate that is less than the yield to maturity.
10. If a stock pays a constant annual dividend then the stock can be valued using the:
- A) fixed coupon bond present value formula.
 - B) present value of an annuity due formula.
 - C) payout ratio formula.
 - D) present value of an ordinary annuity formula.
 - E) perpetuity present value formula.

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11. Next year's annual dividend divided by the current stock price is called the:
- A) yield to maturity. B) total yield.
C) dividend yield. D) capital gains yield.
12. 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.
13. 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.
14. The average squared difference between the actual return and the average return is called the:
- A) volatility return. B) variance. C) standard deviation.
D) risk premium. E) excess return.
15. Which one of these is a measure of the interrelationship between two securities?
- A) Covariance B) Duration C) Standard deviation
D) Alpha E) Variance
16. When computing the expected return on a portfolio of stocks the portfolio weights are based on the:
- A) number of shares owned in each stock.
B) price per share of each stock.
C) market value of the total shares held in each stock.
D) original amount invested in each stock.
E) cost per share of each stock held.

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17. Risk that affects a large number of assets, each to a greater or lesser degree, is called _____ risk.
- A) idiosyncratic B) diversifiable C) systematic
D) asset-specific E) total
18. As we add more diverse securities to a portfolio, the _____ risks of the portfolio will decrease.
- A) total and systematic B) systematic and unsystematic C) total and unsystematic
D) unsystematic E) systematic
19. The characteristic line graphically depicts the relationship between the:
- A) beta of a security and the return on the security.
B) arithmetic average beta of the securities in a portfolio and the weighted average beta of those securities.
C) return on a security and the return on the market.
D) beta of a security and the return on the market.
E) beta of a security and the corresponding beta of the market.
20. Which one of the following statements is true?
- A) A well-diversified portfolio has negligible systematic risk.
B) A well-diversified portfolio has negligible unsystematic risk.
C) An individual security has negligible systematic risk.
D) An individual security has negligible unsystematic risk.
E) Both a well-diversified portfolio and an individual security have negligible unsystematic risk.
21. 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.
22. 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.
- D) beta times the risk-free rate.
- E) market rate of return.
23. A project with the same level of risk as an all-equity firm should be accepted if the project's:
- A) internal rate of return exceeds the firm's cost of equity capital.
- B) expected rate of return exceeds the market rate of return.
- C) anticipated rate of return exceeds the firm's return on assets.
- D) internal rate of return is positive given this level of risk.
- E) expected rate of return exceeds the risk-free rate.
24. The notion that actual capital markets, such as the NYSE, are fairly priced is called the:
- A) efficient market Hypothesis (EMH).
- B) law of one price (LOP).
- C) open markets theorem (OMT).
- D) laissez-faire axiom.
- E) monopoly pricing theorem (MPT).
25. Arbitrage involves the simultaneous purchase:
- A) of one security and the corporate repurchase of another similar security.
- B) of two substitute securities with their sales following within the hour.
- C) of two or more similar securities.
- D) and sale of the same security.
- E) and sale of different, but substitute, securities.

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26. There are three directors' seats up for election. If you own 1,000 shares of stock and you can cast 1,000 votes in each of the three elections, then the firm uses the voting procedure referred to as:
- A) cumulative voting. B) absolute priority voting. C) sequential voting.
D) straight voting. E) market share voting.
27. Which one of these is not a right generally granted to shareholders?
- A) Right to elect individuals to the board of directors
B) Right to purchase shares of any new stock issue
C) Right to receive proportional dividends
D) Right to vote to approve or reject a merger offer
E) First right to liquidation proceeds
28. Bonds that grant the issuer the right to extinguish the debt prior to maturity are referred to as which type of bond?
- A) Put bond B) Debenture C) Callable bond
D) Subordinated bond E) Covenant bond
29. A general rule for managers to follow is to set the firm's capital structure such that the firm's:
- A) size is maximized. B) value is maximized. C) bondholders are secured.
D) suppliers of raw materials are satisfied. E) dividend payout is maximized.
30. In the absence of taxes, the capital structure chosen by a firm doesn't really matter because of:
- A) taxes.
B) the interest tax shield.
C) the relationship between dividends and earnings per share.
D) the effects of leverage on the cost of equity.
E) homemade leverage.

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31. One of the indirect costs of bankruptcy is the incentive toward underinvestment. Underinvestment generally would result in:
- A) the firm selecting all projects with positive NPVs.
 - B) the firm turning down positive NPV projects that would clearly be accepted if the firm were all-equity financed.
 - C) bondholders contributing the full amount of any new investment, but both stockholders and bondholders sharing in the benefits of those investments.
 - D) shareholders making decisions based on the best interests of the bondholders.
 - E) the firm accepting more projects than it would if the probability of bankruptcy was ignored.
32. Which one of these parties holds a marketable claim on a firm's assets?
- A) Customers
 - B) Employees
 - C) Bondholders
 - D) Internal Revenue Service
 - E) State tax authorities
33. The value of a firm is maximized when the:
- A) cost of equity is maximized.
 - B) tax rate is zero.
 - C) levered cost of capital is maximized.
 - D) weighted average cost of capital is minimized.
 - E) debt-equity ratio is minimized.
34. 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
 - 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
35. A cash payment made by a firm to its owners when some of the firm's assets are sold off is called a:
- A) liquidating dividend.
 - B) regular cash dividend.
 - C) special dividend.

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- D) extra cash dividend. E) share repurchase.
36. Ignoring taxes and all else held constant, the market value of a stock should decrease by the amount of the dividend on the:
- A) dividend declaration date. B) ex-dividend date. C) date of record.
D) date of payment. E) day after the date of payment.
37. Venture capitalists are:
- A) intermediaries that raise funds from outside investors.
B) investors who take a hands-off approach to investment management.
C) generally interested in primarily long-term investments.
D) easily contacted and tend to assist with most requests received.
E) generally granted a maximum of 25 percent of a firm's equity.
38. Management's first step in any issue of securities to the public is to:
- A) file a registration form with the SEC.
B) distribute copies of the preliminary prospectus.
C) distribute copies of the final prospectus.
D) obtain approval from the board of directors.
E) prepare the tombstone advertisement.
39. If Alby's leases equipment directly from the equipment's manufacturer the lease must be a:
- A) leveraged lease. B) sales and leaseback arrangement.
C) capital lease. D) sales-type lease. E) bargain lease.
40. 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.
41. An option that may be exercised only on the expiration date is called a(n) _____ option.
- A) European B) American C) Bermudian

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D) futures E) Asian

42. Investing in a negative NPV project today may be a feasible choice if:
- A) the project has future option alternatives.
 - B) all the project's future options were included in the NPV analysis.
 - C) the current discount rate is low.
 - D) all the project's future options will be ignored by decision makers.
 - E) the discount rate is expected to increase over time.
43. 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
44. A derivative is a financial instrument with a value derived from a:
- A) forward contract. B) primitive or underlying asset.
 - C) specified risk. D) negotiated contract. E) probability of occurrence.
45. The buyer of a forward contract will be:
- A) taking delivery of the goods today at today's price.
 - B) making delivery of the goods at a later date at that date's price.
 - C) making delivery of the goods today at today's price.
 - D) taking delivery of the goods at a later date at a pre-specified price.
 - E) deciding on a future date whether or not to take delivery at a pre-specified price.
46. Which one of the following is a use of cash?
- A) Selling goods from inventory
 - B) Sale of a marketable security held by the firm
 - C) Submitting taxes to the government
 - D) Obtainment of a long-term loan
 - E) Collection of a past-due accounts receivable

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47. Determining the appropriate cash balance involves assessing the trade-off between:
- A) income and diversification.
 - B) the benefits and costs of liquidity.
 - C) balance sheet strength and transaction needs.
 - D) short-term and long-term investment returns.
 - E) cash needs and cash preferences.
48. The credit period begins on the:
- A) shipping date.
 - B) purchase order date.
 - C) shipping arrival date.
 - D) order process date.
 - E) invoice date.
49. A public offer by one firm to directly buy the shares of another firm is called a:
- A) merger.
 - B) consolidation.
 - C) tender offer.
 - D) spinoff.
 - E) divestiture.
50. Financial distress is least apt to lead to:
- A) asset restructuring.
 - B) financial restructuring.
 - C) liquidation.
 - D) increasing dividends.
 - E) issuing new shares.