

科目：財務管理

適用：財金系

編號：241

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。
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Multiple Choice Questions (2 points each)

1. Which one of these is a correct definition?
 - A. Net working capital equals current assets plus current liabilities.
 - B. Current liabilities are debts that must be repaid in 18 months or less.
 - C. Current assets are assets with short lives, such as accounts receivable.
 - D. Long-term debt is defined as a residual claim on a firm's assets.
2. A firm's capital structure refers to the firm's:
 - A. mixture of various types of production equipment.
 - B. investment selections for its excess cash reserves.
 - C. combination of cash and cash equivalents.
 - D. proportions of financing from current and long-term debt and equity.
3. Which one of the following statements concerning liquidity is correct?
 - A. Liquid assets generally earn higher rates of return than fixed assets.
 - B. If you can sell an asset next year at a price equal to its actual value, the asset is highly liquid.
 - C. Liquid assets are defined as those assets obtained within the past year.
 - D. Balance sheet accounts are listed in order of decreasing liquidity.
4. Which one of these accounts is classified as a fixed asset on the balance sheet?
 - A. Intangible assets
 - B. Accounts payable
 - C. Preferred stock
 - D. Inventory
5. The equity multiplier is measured as total:
 - A. equity divided by total assets.
 - B. assets divided by total equity.
 - C. assets minus total equity, divided by total assets.
 - D. assets plus total equity, divided by total debt.

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6. The financial ratio measured as net income divided by sales is known as the firm's:
- A. profit margin.
 - B. return on assets.
 - C. return on equity.
 - D. asset turnover.
7. Which one of these statements is correct concerning the time value of money?
- A. Increasing the initial cost of a project increases the project's NPV.
 - B. Increasing the discount rate, increases the PV of a project.
 - C. Increasing the FV decreases the PV.
 - D. Decreasing the PV decreases the FV.
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
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.
10. An analysis of what happens to the estimate of net present value when only one input variable is changed is called _____ analysis.
- A. forecasting
 - B. scenario
 - C. sensitivity
 - D. simulation

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11. 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.
12. Sunk costs include any cost that:
- A. will change if a project is undertaken.
 - B. will be incurred if a project is accepted.
 - C. has previously been incurred and cannot be changed.
 - D. will be paid to a third party and cannot be refunded for any reason whatsoever.
13. 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.
14. A bond with a face value of \$1,000 that sells for \$1,150 in the market is called a _____ bond.
- A. par value
 - B. discount
 - C. premium
 - D. zero coupon
15. The correlation between Stocks A and B is computed as the:
- A. covariance between A and B divided by the standard deviation of A times the standard deviation of B.
 - B. standard deviation of A divided by the standard deviation of B.
 - C. standard deviation of AB divided by the covariance between A and B.
 - D. variance of A plus the variance of B divided by the covariance of AB.
16. The average squared difference between the actual and average returns is called the:
- A. excess return.

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- B. variance.
- C. standard deviation.
- D. risk premium.
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.
18. The total return on a stock is equal to the:
- A. dividend yield minus the capital gains yield.
 - B. dividend growth rate minus the dividend yield.
 - C. dividend yield plus the dividend growth rate.
 - D. growth rate of the dividends.
19. The Sharpe ratio is computed as the average:
- A. equity risk premium divided by the standard deviation.
 - B. squared deviation divided by the average excess return.
 - C. excess return divided by the variance of the returns.
 - D. equity risk premium divided by the variance.
20. Comparing two otherwise equivalent firms, the beta of the common stock of the levered firm is _____ the beta of the common stock of the unlevered firm.
- A. roughly equivalent to
 - B. significantly less than
 - C. slightly less than
 - D. greater than
21. 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.

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- D. is limited by the returns on the individual securities within the portfolio.
22. Which type of risk is unaffected by portfolio diversification?
- A. Unsystematic risk
 - B. Idiosyncratic risk
 - C. Total risk
 - D. Systematic risk
23. The slope of the security market line represents the:
- A. risk-premium for an individual security.
 - B. market risk premium.
 - C. market rate of return.
 - D. total return per unit of beta.
24. A firm with high operating leverage has:
- A. low fixed costs in its production process.
 - B. high variable costs in its production process.
 - C. high fixed costs in its production process.
 - D. high total costs per unit.
25. The hypothesis that market prices reflect all available information of every kind is called _____ form efficiency.
- A. open
 - B. strong
 - C. semistrong
 - D. weak
26. 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. security prices reflect all available information.

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27. Preferred stock dividends:
- A. become a debt of the firm if unpaid.
 - B. can be deferred indefinitely.
 - C. are only paid if common stock dividends are also paid.
 - D. have priority over debt interest payments but not common stock dividends.
28. When shareholders are granted preemptive rights, they obtain the right:
- A. to elect members to the board of directors.
 - B. to share proportionally in regular and liquidating dividends.
 - C. of first refusal for their proportionate percentage of new shares offered.
 - D. to receive dividends prior to any preferred shareholders.
29. The firm's capital structure refers to the:
- A. mix of current and fixed assets a firm holds.
 - B. amount of capital invested in the firm.
 - C. amount of dividends a firm pays.
 - D. mix of debt and equity used to finance the firm's assets.
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.
31. Conflicts of interest between stockholders and bondholders are known as:
- A. trustee costs.
 - B. financial distress costs.
 - C. dealer costs.
 - D. agency costs.
32. The value of a firm is maximized when the:
- A. cost of equity is maximized.

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- B. tax rate is zero.
- C. levered cost of capital is maximized.
- D. weighted average cost of capital is minimized.
33. Payments made out of a firm's earnings to its owners in the form of cash or stock are called:
- A. dividends.
- B. distributions.
- C. share repurchases.
- D. payments-in-kind.
34. 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.
35. Venture capitalists are:
- A. intermediaries that raise funds from outside investors.
- B. generally interested in primarily long-term investments.
- C. easily contacted and tend to assist with most requests received.
- D. generally granted a maximum of 25 percent of a firm's equity.
36. 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.
37. The difference between an American option and a European option is that the American option:
- A. has a fixed exercise price while the European exercise price can vary within a small

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range.

- B. is a right to buy while a European option is an obligation to buy.
 - C. has an expiration date while the European option does not.
 - D. can be exercised at any time up to the expiration date while the European option can only be exercised on the expiration date.
38. 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.
39. The difference between liquidation and reorganization is that a:
- A. reorganization terminates all operations of the firm while a liquidation only terminates non-profitable operations.
 - B. liquidation terminates all operations immediately while a reorganization terminates operations over two, or more, years.
 - C. liquidation terminates all operations and a reorganization maintains the option of the firm as a going concern.
 - D. liquidation deals with net working capital while a reorganization deals with long-term liabilities.
40. 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.
41. The value of an executive stock option will be lowered if:
- A. the volatility of the firm's stock returns increases.
 - B. the executive improves firm performance causing the stock price to rise.

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- C. a freeze-out period is required.
- D. the strike price is lowered.
42. Net present value analysis frequently ignores:
- A. project risk.
 - B. cash flows after the first three years.
 - C. the time value of money.
 - D. some or all of a project's options.
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. 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.
45. Cash discounts:
- A. increase the amount of credit offered.
 - B. increase profit margins on sales.
 - C. speed up the collection of receivables.
 - D. were first offered in the early 1900s.
46. 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.

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47. Periods of financial distress are most associated with:
- A. continued increases in earnings.
 - B. steady growth.
 - C. dividend reductions.
 - D. increasing growth rates.
48. The implicit exchange rate between two currencies when both are quoted in some third currency is called a(n):
- A. open exchange rate.
 - B. cross-rate.
 - C. backward rate.
 - D. forward rate.
49. The price of one country's currency expressed in terms of another country's currency is called the:
- A. absolute currency rate.
 - B. cross inflation rate.
 - C. depository rate.
 - D. exchange rate.
50. Covered interest arbitrage involves:
- A. two spot rates.
 - B. two forward rates.
 - C. both a spot rate and a forward rate.
 - D. a single exchange at the current exchange rate.