

國立中央大學98學年度碩士班考試入學試題卷

所別：財務金融學系碩士班 甲組 科目：財務管理 共 4 頁 第 1 頁

*請在試卷答案卷(卡)內作答

I. 選擇題 (每題 2 分, 共計 50 分)

1. Which one of the following will not be useful in decreasing the operating cycle?
 - a. Collect from customers sooner.
 - b. Carry less in finished goods inventory.
 - c. Extend the time for payments to suppliers.
 - d. All of the above.
2. The strategic plan includes all of the following except:
 - a. Formulation of internal organization performance measures.
 - b. Development of sensitivity to critical external environmental changes.
 - c. Specific marketing plans for the next six months to kick off the plan.
 - d. Organization, funding, and other methods to implement the plan.
3. The optimal decision rule has four characteristics. Which of the following is not one of the characteristics?
 - a. It will consider all appropriate (incremental after-tax) cash flows.
 - b. It will discount the cash flows at the appropriate market-determined opportunity cost of capital.
 - c. It will select from a group of mutually exclusive projects the one that maximizes shareholders' wealth.
 - d. It will allow managers to consider each project regardless of the starting point within a year.
4. A project with a net present value of \$0.0 should be accepted since it provides all of the following except:
 - a. Payoff of all interest payments to debt holders who have provided debt financing.
 - b. Ability to pay all expected returns (dividends and capital gains) to shareholders who have put up equity for the project.
 - c. Extraordinary gains to stockholders.
 - d. Payoff of the original principal, I_0 , which was invested in the project.
5. When transferring an asset that the company already owns to a new project, what value should be ascribed to the transferred asset for analysis and evaluation purposes?
 - a. Book value.
 - b. Market value based on opportunity costs.
 - c. No amount since the equipment's cost is sunk.
 - d. The original purchase price of the equipment.
6. All of the following has a profound impact on the finance function except:
 - a. Financial innovations and financial engineering.
 - b. Business reorganization along the supply chain.
 - c. Mergers and acquisitions.
 - d. None of the above.
7. The size and riskiness of expected future earnings are influenced by:
 - a. Product-market mix of the firm.
 - b. Liquidity position of the firm.
 - c. Size of the firm.
 - d. Rate of growth of the firm.
 - e. All of the above.
8. Which other operational functions should understand fundamental accounting and finance concepts?
 - a. Research and development, marketing, and sales.
 - b. Purchasing, production, and logistics.
 - c. Corporate development, legal, and general management.
 - d. All of the above.
9. Financial budgets accomplish all of the following goals except:
 - a. facilitating communication throughout an organization.
 - b. identifying a common goal and setting objectives to attain the goal.
 - c. prioritizing competing strategies.
 - d. none of the above.
10. Goodwill represents:
 - a. the difference between total assets less current liabilities.
 - b. the difference between total assets and tangible assets.
 - c. the difference between what you paid for an acquired company and the net assets received.
 - d. the brand equity that is built through strategic advertising.
11. Which of the following statements is true about a bond's current yield?
 - a. The current yield is a more accurate way to calculate the bond's rate of return.

參考用

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- b. The current yield is a more accurate way to calculate the bond's coupon.
- c. The current yield is calculated as the coupon rate divided by the price of the bond.
- d. The current yield is calculated as the current yield to maturity times the bond's maturity value.

12. Comparing systematic and unsystematic risk, which one of the following statements are correct?

- a. Diversification can eliminate both market and non-market risk.
- b. Diversification can eliminate only market risk.
- c. The value of a group of projects that is well diversified does not fluctuate in response to variations in returns on the market.
- d. Non-market risks vary for different firms and industries.

13. A project with an expected return of 14.5% should only be accepted under the following circumstances:

- a. Project beta of 1.0; risk premium of 7.5%; risk free-rate of 7.5%.
- b. Project beta of 1.2; risk premium of 7.5%; risk free-rate of 5.5%.
- c. Project beta of 1.4; risk premium of 5.5%; risk free-rate of 5.5%.
- d. a and b
- e. b and c

14. Match the letter to the proper focus of attention:

Metric Category	Focus of Attention
1. Liquidity	a. Efficient utilization
2. Activity	b. Long-term positions
3. Profitability	c. Short term positions
4. Leverage	d. Effective utilization

Match the letter to the number.

- a. 1. c 2. d. 3. a. 4. b.
- b. 1. c 2. a. 3. d. 4. b.
- c. 1. c 2. b. 3. d. 4. a.
- d. 1. a 2. d. 3. a. 4. c.

15. A corporation has a current ratio of 5.65 when the industry average is 1.42. What could be the reason for this disparity?

- a. The corporation has more bank borrowings on average than the industry.

- b. The corporation could have an excess build-up in inventory.
- c. The corporation could have aged accounts receivable.
- d. All of the above.
- e. Answers b & c.

16. The following information is developed:

Inventory Turnover	A Company	Industry
Raw Material	5.00	3.33
Work in Process	5.00	5.00
Finished Goods	2.50	3.33
Total	1.25	1.25

From these relationships, an analyst can tell the following relative information:

- a. A Company may be in a position where they have too much invested in raw materials.
- b. A Company may be in a position where they have too much invested in finished goods.
- c. A Company has more invested in raw materials and less in finished goods.
- d. A Company has less invested in raw materials and more in finished goods.

17. Which of the following is not an adjustment item to consider when calculating normalized income?

- a. Litigation settlement expense.
- b. Restructuring charges.
- c. Gain on the sale of a business.
- d. Sudden and temporary increase in energy costs.

18. If a company's price-to-book metric is below 1.00, what can we tell about that company?

- a. It probably uses too much debt financing.
- b. Its current replacement value of its assets is greater than the book value.
- c. It experienced a strong share repurchase program which resulted in lower stockholders' equity.
- d. The company's stockholders' equity is larger than its market capitalization.

19. Many large organizations use multi-functional committees to review and approve financial analysis and strategic financial decisions. What are some of these typical committees:

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- a. Capital appropriations committee, budget committee, pension committee, compensation committee.
- b. Capital appropriations committee, new customer committee, advertising committee, compensation committee.
- c. Capital appropriations committee, new products committee, new customer committee, pension committee.
- d. Pension committee, research and development committee, new product committee, compensation committee.
20. Shareholder wealth maximization is better than simple profit maximization as a goal for the firm because:
- a. It increases future cash flows without increasing risk.
- b. It is not better than profit maximization.
- c. It considers both the time value of money and risk.
- d. It keeps the company from going bankrupt.
21. Which of the following is not a characteristic of a sale and leaseback lease?
- a. The lessee acquires, develops, or builds the asset under lease.
- b. The lessee sells the asset to the lessor.
- c. The lessor leases the asset to the lessee.
- d. All of the above are characteristics of a sale leaseback lease.
22. What is the return on an acquisition of a company that generates \$200 million of cash flow per year with zero growth and a price of \$1200?
- a. 12.5%
- b. 13.3%
- c. 16.7%
- d. 18.3%
23. Which of the following is an example of a real option to expand or grow?
- a. Building a large warehouse that is capable of being subdivided.
- b. Building a manufacturing facility that uses flexible manufacturing equipment.
- c. Entering into a new market area with a "phased in" approach.
- d. Entering into a new market with an exit strategy as a backup plan.
24. The valuation process yields a numerical result that goes by a few different names. Which of the following is not usually a name applied to the valuation result?
- a. Terminal value.
- b. Value of the operations.
- c. Enterprise value.
- d. Value of the operating cash flows and residual value.
25. If a company generated \$100 of cash flow last year, has a required return of 15%, and is expected to grow 5% per year into perpetuity, which assumption has the most impact, if each assumption improves by 10% from the initially assumed values?
- a. \$100 cash flow becomes \$110
- b. 15% discount rate becomes 13.5%
- c. 5% growth becomes 5.5%
- d. The time period doubles.
- II. 填充題 (請自行在答案卷上作答，不需要計算過程) (50%，每格 2 分)**
1. The Taiwan inflation rate for the coming year is 2%. The U.S. inflation rate for the coming year is 6%. You can buy 2.86 USD with NT\$100 dollars today. Based on relative purchase power parity, how many USD will you be able to buy with NT\$100 dollars in 1 year? (1)
2. When two firms merge and there is no synergy gain but the only change is a reduction in risk, the wealth effect on bondholders is (2) (positive, negative, or no effect), and the wealth effect on stockholders is (3) (positive, negative, or no effect).
3. When market interest rates shift, which one of the following bonds has the most interest rate risk? (4)
Which one has the lowest interest rate risk? (5)
A) One-year zero-coupon bond. B) Ten-year zero-coupon bond. C) One-year, 8% semiannual coupon bond
D) Ten-year 8% semiannual coupon bond.
4. A firm has 300 shares of stock and 50 warrants outstanding. The warrants are about to expire, and all of them will be exercised. The market value of the firm's assets is \$4,000, and the firm has no debt. Each warrant gives the owner the right to buy 2 shares at \$10 per share. What is the market price per share of the stock? (6)

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5. The duration of a 2 year annual 10% bond that is selling for par is (7)
6. Many underwriting contracts contain a(n) (8) provision, which gives the members of the selling group the option to purchase additional shares from the issuer at the offering price. Almost all underwriting contracts in U.S. contain (9) agreement, which specifies how long insiders must wait after an IPO before they can sell some or all of their shares.
7. If stockholders care about taxes, then stocks should attract clientele based on dividend yields. Surveys support this by showing that the highest dividend yield stocks are held by investors in the (10) (highest, average, or lowest) tax bracket.
8. Which of the following industries would tend to have the highest leverage? (11)
 A) Drugs B) Apparel C) Public Utilities D) Electronics
 E) Biological products
9. In the 2007-2008 financial crises, which of the following banks was acquired by Bank of America? (12)
 A) Chase B) Lehman Brother C) Merrill Lynch
 D) Bear Sterns E) UBS
10. In the 2007-2008 financial crises, which of the following banks went bankrupt? (13)
 A) JP Morgan B) Morgan Stanley C) Merrill Lynch
 D) Bear Sterns E) UBS
11. A firm has zero debt in its capital structure. Its overall cost of capital is 10%. The firm is considering a new capital structure with 60% debt. The interest rate on the debt would be 8%. Assuming there are no taxes or other imperfections, its cost of equity capital with the new capital structure would be (14)
12. A firm has perpetual expected EBIT of \$100. The firm has no debt in its capital structure. Assume the corporate tax rate is 50%. Its cost of equity is 10%. What would be the value of the firm if it issued \$200 in perpetual debt? (15)
13. The Taiwan Corp. has perpetual EBIT of \$2,400. It has no debt in its capital structure, and its cost of equity is 12%. The corporate tax rate is 25%. There are 400 shares outstanding. Taiwan Corp. has announced that it will

borrow \$4,000 in perpetual debt at 4% and use the proceeds to buy up stock. What will the stock price now be after the recapitalization? (16) How many shares will be purchased? (17) What will its cost of equity be? (18)

14. A portfolio contains four assets. Asset 1 has a beta of .8 and comprises 30% of the portfolio. Asset 2 has a beta of 1.3 and comprises 20% of the portfolio. Asset 3 has a beta of 1.5 and comprises 30% of the portfolio. Asset 4 has a beta of 2.5 and comprises the remaining 20% of the portfolio. If the riskless rate is expected to be 3% and the market risk premium is 8%, what is the beta of the portfolio? (19) And what is the expected return on this portfolio? (20)

15. Assume that the covariances between the returns of stocks A and B are given in the matrix below:

	Stock A	Stock B
Stock A	0.25	0.04
Stock B	0.04	0.10

If your portfolio consists of \$10,000 in stock A and \$40,000 in stock B, the variance of return for your portfolio is (21). If a minimum variance portfolio is desired, the weight of stock A in this minimum-variance portfolio would be (22).

16. The Clearwater Corp. is planning construction of new filtrating equipment. The initial cost of the investment is \$1 million. Efficiencies from the new filtrating equipment are expected to reduce costs by \$100,000 forever. The corporation has total assets with a book value of \$80 million and a market value of \$100 million. The debt outstanding is \$40 million, both book value and market value. Assuming there are no corporate taxes, the required return for this project would be (23) if the firm has a cost of debt of 5% and a cost equity of 15%, and the NPV of the project would be (24).
17. Assume the correlation coefficient between Tai Fund and the S&P 500 Stock Index is 0.80. What percentage of Tai Fund's total risk is specific (i.e., nonsystematic)? (25)

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