

國立中央大學99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(一般生) 科目：財務管理 共二頁 第一頁

本科考試禁用計算器

*請在試卷答案卷(卡)內作答

I. Multiple Choice: Please choose the BEST answer (50%)

1. Which one of the following is a primary market transaction?
 - a. a dealer selling shares of stock to an individual investor
 - b. a dealer buying newly issued shares of stock from a corporation
 - c. an individual investor selling shares of stock to another individual
 - d. a bank selling shares of a medical firm to an individual
 - e. a sole proprietor buying shares of stock from an individual investor
2. The bylaws:
 - a. establish the name of the corporation.
 - b. are rules which apply only to limited liability companies.
 - c. set forth the purpose of the firm.
 - d. mandate the procedure for electing corporate directors.
 - e. set forth the procedure by which the stockholders elect the senior managers of the firm.
3. Managers are encouraged to act in shareholders' interests by:
 - a. shareholder election of a board of directors who select management.
 - b. the threat of a takeover by another firm.
 - c. compensation contracts that tie compensation to corporate success.
 - d. Both A and B.
 - e. All of the above.
4. Net capital spending is equal to:
 - a. net additions to net working capital.
 - b. the net change in fixed assets.
 - c. net income plus depreciation.
 - d. total cash flow to stockholders less interest and dividends paid.
 - e. the change in total assets.
5. Your (1) tax rate is the amount of tax payable on the next taxable dollar you earn, and (2) tax rate measures the total taxes you pay divided by your taxable income.
 - a. (1) deductible; (2) residual
 - b. (1) total; (2) residual
 - c. (1) total; (2) average
 - d. (1) marginal; (2) average
 - e. (1) marginal; (2) residual
6. An increase in which one of the following accounts increases a firm's current ratio without affecting its quick ratio?
 - a. accounts payable
 - b. cash
 - c. inventory
 - d. accounts receivable
 - e. fixed assets
7. If a firm decreases its operating costs, all else constant, then:
 - a. the profit margin increases while the equity multiplier decreases.
 - b. the return on assets increases while the return on equity decreases.
 - c. the total asset turnover rate decreases while the profit margin increases.
 - d. both the profit margin and the equity multiplier increase.
 - e. both the return on assets and the return on equity increase.
8. Lecky's Systems has sales of \$2,800, costs of goods sold of \$2,100, inventory of \$500, and accounts receivable of \$400. How many days, on average, does it take Lecky's to sell its inventory?
 - a. 65.2 days
 - b. 85.2 days
 - c. 86.9 days
 - d. 96.9 days
 - e. 117.3 days
9. McDonald receives \$1000 on the first day of each year. Sherman receives \$1000 on the last day of each year. Both McDonald and Sherman will receive payments for ten years. At an 8% discount rate, what is the difference in the present value of these two sets of payments? (References: $PVIF(8\%, 1)=0.9259$; $PVIF(8\%, 2)=0.8573$; $PVIF(8\%, 9)=0.5002$; $PVIF(8\%, 10)=0.4632$; $FVIF(8\%, 1)=1.08$; $FVIF(8\%, 2)=1,1664$; $FVIF(8\%, 9)=1.9990$; $FVIF(8\%, 10)=2.1589$)
 - a. \$499.8
 - b. \$536.8
 - c. \$800.0
 - d. \$999.00
 - e. \$1,158.9
10. If its yield to maturity is less than its coupon rate, a bond will sell at a _____, and increases in market interest rates will _____.
 - a. discount; decrease this discount.
 - b. discount; increase this discount.
 - c. premium; decrease this premium.
 - d. premium; increase this premium.
 - e. None of the above.
11. All else equal, the payback period for a project will decrease whenever the:
 - a. initial cost increases.
 - b. required return for a project increases.
 - c. assigned discount rate decreases.
 - d. cash inflows are moved earlier in time.
 - e. duration of a project is lengthened.
12. A stock with an actual return that lies above the security market line:
 - a. has more systematic risk than the overall market.
 - b. has more risk than warranted based on the realized rate of return.
 - c. has yielded a higher return than expected for the level of risk assumed.
 - d. has less systematic risk than the overall market.
 - e. has yielded a return equivalent to the level of risk assumed.
13. The separation principle states that an investor will:
 - a. choose any efficient portfolio and invest some amount in the riskless asset to generate the expected return.
 - b. choose an efficient portfolio based on individual risk tolerance or utility.
 - c. never choose to invest in the riskless asset because the expected return on the riskless asset is lower over time.
 - d. invest only in the riskless asset and tangency portfolio choosing the weights based on individual risk tolerance.
 - e. All of the above.
14. You have a portfolio consisting solely of stock A and stock B. The portfolio has an expected return of 10.2%. Stock A has an expected return of 12% while stock B is expected to return 7%. What is the portfolio weight of stock A?
 - a. 46%
 - b. 54%
 - c. 58%
 - d. 64%
 - e. 70%
15. Pacific Contracting has an equity beta of 1.2, capital structure with 2/3 debt, and a zero tax rate. What is its asset beta?
 - a. 0.40
 - b. 0.72
 - c. 1.20
 - d. 1.80
 - e. None of the above

(Continued on the next page)

參考用

注意：背面有試題

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16. Which of the following is not true about serial correlation?
- It measures the correlation between the current return on a security and the current return on another security.
 - It involves only one security.
 - Positive serial correlation indicates a tendency for continuation.
 - Negative serial correlation indicates a tendency toward reversal.
 - Significant positive or negative serial correlation coefficients are indicative of market inefficiency in the weak form.
17. Based on historical experience, which of the following best describes the "pecking order" of long-term financing strategy in the U.S.?
- Long-term debt first, new common equity, internal financing last.
 - Long-term debt first, internal financing, new common equity last.
 - Internal financing first, new common equity, long-term borrowing last.
 - Internal financing first, long-term borrowing, new common equity last.
 - None of the above.
18. The interest tax shield has no value for a firm when:
- the tax rate is equal to zero.
 - the debt-equity ratio is exactly equal to 1.
 - the firm is unlevered.
 - a firm elects 100% equity as its capital structure.
- a. I and III only b. II and IV only
c. I, III, and IV only d. II, III, and IV only
e. I, II, and IV only
19. What three factors are important to consider in determining a target debt to equity ratio?
- Taxes, asset types, and pecking order and financial slack
 - Asset types, uncertainty of operating income, and pecking order and financial slack
 - Taxes, financial slack and pecking order, and uncertainty of operating income
 - Taxes, asset types, and uncertainty of operating income
 - None of the above.
20. A reverse stock split is sometimes used as a means of:
- decreasing the liquidity of a stock.
 - decreasing the market value per share of stock.
 - increasing the number of stockholders.
 - keeping a firm's stock eligible for trading on a stock exchange.
 - raising cash from current stockholders.
21. The green shoe option is used to:
- cover oversubscription.
 - cover excess demand.
 - provide additional reward to the underwriters for a risky issue.
 - provide additional reward to the issuing firm for a risky issue.
 - Both A and B.
22. An option that grants the right, but not the obligation, to sell shares of the underlying asset on a particular date at a specified price is called:
- either an American or a European option.
 - an American call.
 - an American put.
 - a European put.
 - a European call.
23. You own stock in a firm that has a pure discount loan due in six months. The loan has a face value of \$50,000. The assets of the firm are currently worth \$62,000. The stockholders in this firm basically own a _____ option on the assets of the firm with a strike price of:
- put; \$62,000.
 - put; \$50,000.
 - warrant; \$62,000.
 - call; \$62,000.
 - call; \$50,000.
24. The call option on a dividend paying stock compared to a non-dividend paying stock is:
- more valuable because of the extra dividend payment.
 - equal in value because cash dividends are paid on stock only.
 - less valuable because cash dividends are paid on stock only.
 - less valuable if the dividend paying stock is in-the-money while the non-dividend paying stock is out-of-the-money.
 - None of the above.
25. The distribution of shares in a subsidiary to existing parent company stockholders is called a(n):
- lockup transaction.
 - bear hug.
 - equity carve-out.
 - spin-off.
 - split-up.
- II Essay questions.
- Please describe and explain the empirical findings of the long-term performance of the IPO and the SEO. (10%)
 - Please use a numerical example to prove Modigliani-Miller Proposition One and Two. (15%)
 - Why and how is the risk-neutral probability used to price options? (10%)
 - Who are the winners and losers in the mergers and why? (15%)

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