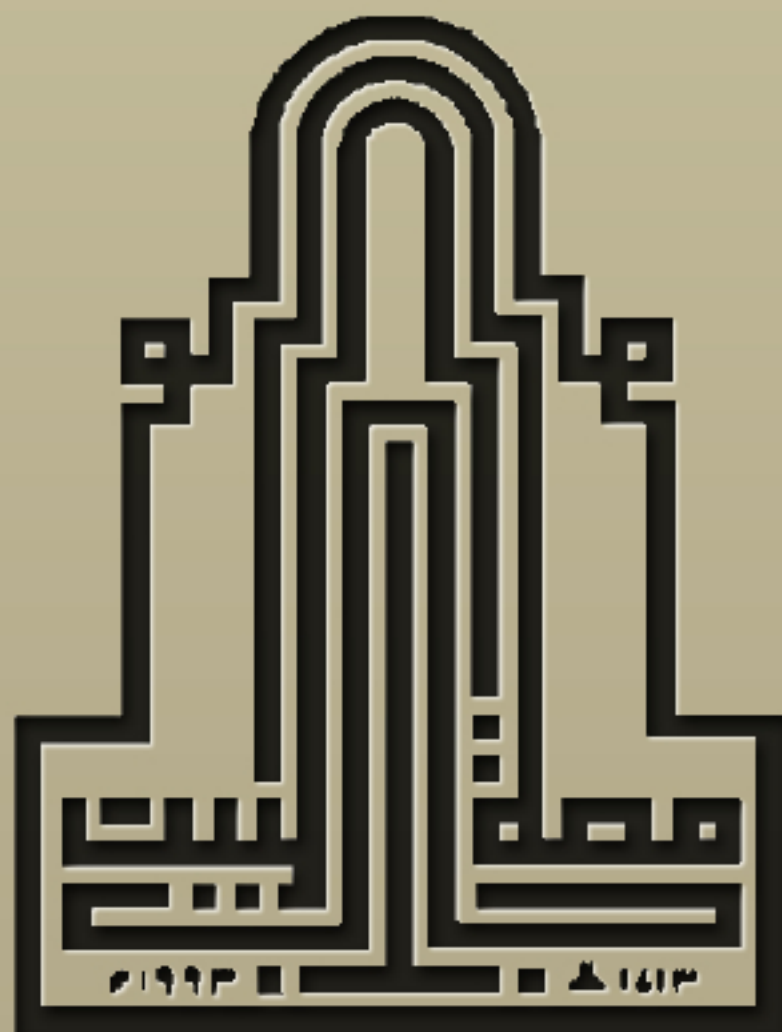مكتبة

"خُذ وأعطِ"

الإلكترونية

جامعة آل البيت " كلية الإقتصاد "

مجموعة طلابية تسعى لتوفير كل ما يلزم طلاب
كلية إدارة المال والاعمال من مواد وشروحات واسئلة بصورة الكترونية

11505.4034   علاء خالد الشراعه

A

al-BAYT UNIVERSITY   **Financial Management**   Student Name _Alaa Khalid_
Faculty of Economics   **1st Exam (20 Points)**   Seat Number _52_
Business Department   **1st sem. 2012/2013**   Lecture Time _9-10_

* Choose the correct answer:

1. Which of the following correctly describes the balance sheet of a firm?
    A. Current assets and current liabilities are on the right-hand side of the balance sheet. Fixed assets, long-term liabilities, and equity are on the left-hand side.
    B. Current assets, current liabilities, and equity are on the right-hand side of the balance sheet. Fixed assets and long-term liabilities are on the left-hand side.
    C. Current assets and fixed assets are on the left-hand side of the balance sheet. Current liabilities, fixed liabilities, and equity are on the right-hand side.
    D. Current assets, fixed assets, and equity are on the left-hand side of the balance sheet. Current liabilities and long-term liabilities are on the right-hand side.
    E. None of the above.

2. Companies can raise cash to finance their investment activities by:
    A. making dividend payments.   B. selling or issuing financial instruments.
    C. buying back their financial instruments.   D. not producing goods during the current quarter.
    E. none of the above.

3. Which one of the following terms is defined as the management of a firm's long-term investments?
    A. working capital management B. financial allocation C. agency cost analysis D. capital budgeting E. capital structure

4. Which one of the following terms is defined as the mixture of a firm's debt and equity financing?
    A. working capital management B. cash management C. cost analysis D. capital budgeting E. capital structure

5. Which one of the following is defined as a firm's short-term assets and its short-term liabilities?
    A. working capital B. debt C. investment capital D. net capital E. capital structure

6. A business owned by a solitary individual who has unlimited liability for its debt is called a:
    A. corporation. B. sole proprietorship. C. general partnership. D. limited partnership. E. limited liability company.

7. A business formed by two or more individuals who each have unlimited liability for all of the firm's business debts is called a:
    A. corporation. B. sole proprietorship. C. general partnership. D. limited partnership. E. limited liability company.

8. A business partner whose potential financial loss in the partnership will not exceed his or her investment in that partnership is called a:
    A. generally partner. B. sole proprietor. C. limited partner. D. corporate shareholder. E. zero partner.

9. A business created as a distinct legal entity and treated as a legal "person" is called a:
    A. corporation. B. sole proprietorship. C. general partnership. D. limited partnership. E. unlimited liability company.

10. Which one of the following terms is defined as a conflict of interest between the corporate shareholders and the corporate managers?
    A. articles of incorporation B. corporate breakdown C. agency problem D. By laws E. legal liability

11. Which of the following questions are addressed by financial managers? I. How should a product be marketed? II. Should customers be given 30 or 45 days to pay for their credit purchases? III. Should the firm borrow more money? IV. Should the firm acquire new equipment?
    A. I and IV only   B. II and III only   C. I, II, and III only   D. II, III, and IV only   E. I, II, III, and IV

12. The controller of a corporation generally reports directly to the:
    A. board of directors. B. chairman of the board. C. chief executive officer. D. president. E. vice president of finance.

13. Which one of the following best describes the primary advantage of being a limited partner instead of a general partner?
    A. tax-free income   B. active participation in the firm's activities   C. no potential financial loss
    D. greater control over the business affairs of the partnership   E. maximum loss limited to the capital invested

14. Which one of the following best states the primary goal of financial management?
    A. maximize current dividends per share   B. maximize the current value per share
    C. increase cash flow and avoid financial distress   D. minimize operational costs while maximizing firm efficiency
    E. maintain steady growth while increasing current profits

15. The average collection period for Meiter Co. is 36.5. If the firm's accounts receivable is €500,000, then what was the firm's total sales?
    A. ? €13,699   B. ? €18,250   C. ? €5,000,000   D. ? €18,250,000

16. The Inventory turnover of LordRings, Ltd was 6.67 last year. If the firm's cost of goods sold was €1,000,000 then was is the firm's ending inventory?
    A ? €6,670,000   B. ? €1,000,000   C. ? €149,925 C. ? €66,700

17. If the following are balance sheet changes:
    A. $5,005 decrease in accounts receivable   B. $7,000 decrease in cash
    C. $12,012 decrease in notes payable   D. $10,001 increase in accounts payable

18. A "use" of funds would be the:
    A. $7,000 decrease in cash.   B. $5,005 decrease in accounts receivable.
    C. $10,001 increase in accounts payable.   D. $12,012 decrease in notes payable.

. ___ of the following items can be found on an income statement

A. Accounts receivable   B. Long-term debt   C. Sales   D. Inventory

. Which of the following is a liquidity ratio?

A. Quick ratio   B. P/E- ratio   C. Inventory turnover   D. Equity multiplier

Balance Sheet

Cash	$ 50,000	Accounts Payable	$185,000
Accounts Receivable	125,000	Notes Payable	125,000
Inventories	225,000	Long-term debt	115,000
Net Plant and Equipment	525,000	Common Stock	350,000
		Retained earnings	150,000
		Total liabilities and	
Total Assets	$925,000	Stockholders' Equity	$925,000

(handwritten: 310 000)
(handwritten: Total Asst 2) 00000)

Income Statement

Sales	$525,000
Cost of goods sold	215,000
Depreciation	65,000
Earnings before interest and taxes	245,000
Interest expense	35,000
Net profit before taxes	210,000
Taxes (@ 40%)	84,000
Net income	$126,000

NARREND

(handwritten: price per share / E.B. per sh)

21. What is the Bavarian Sausage, Inc.'s quick ratio?
A. 0.5645   B. 1.2903   C. 1.9565   D. 0.8871
ANS: A   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

22. What is the Bavarian Sausage, Inc.'s average collection period?
A. 14.39 days   B. 4.20 days   C. 122.56 days   D. 86.90 days
ANS: D   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

23. Bavarian Sausage, Inc. has 100,000 shares of common stock outstanding, but no preferred stock. The current price of Bavarian's common stock is $15. What is the company's P/E-ratio?
A. 119.00   B. 1.26   C. 11.90   D. 12.60
ANS: C   DIF: M   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

24. What is Bavarian sausage, Inc.'s net profit margin?
A. 40%   B. 47%   C. 15%   D. 24%
ANS: D   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

25. What is Bavarian Sausage, Inc.'s debt-equity ratio?
A. 0.23   B. 0.52   C. 1.25   D. 0.85
ANS: A   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

26. Calculate the Bavarian Sausage, Inc.'s return on assets.
A. 25.20%   B. 16.35%   C. 13.62%   D. 8.47%
ANS: C   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

27. If Bavarian Sausage, Inc. has 100,000 shares outstanding, what is the book value per share?
A. $5.00   B. $9.25   C. $3.50   D. $1.50
ANS: A   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

28. Calculate the Bavarian Sausage, Inc.'s inventory turnover.
A. 1.05   B. 0.96   C. 0.76   D. 1.51
ANS: B   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

29. What is the Bavarian Sausage, Inc.'s times interest earned ratio?
A. 3.60   B. 7.00   C. 15.00   D. 6.00
ANS: B   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis   NAR: Bavarian Sausage, Inc.

30. If a company's net profit margin is 5% and its total asset turnover is 3.5, what is its ROA?
A. 17.50%   B. 1.43%   C. 70.00%   D. 12.53%
ANS: A   DIF: E   REF: 2.3 Analyzing Financial Performance Using Ratio Analysis

Good Luck

(handwritten: Net income / total asset)