

PAST PAPERS BY WAQAR SIDDHU

More in PDF From



Get All Solutions.

Fina	ancial Ma	ent (MGT201)	
Qu	estion:	Marks: 1) Attempted Questions: 4	Total Questions: 55
Ma	rket port	isk can be represented through which of the following?	
	oices:		-
	Standard	ion	
0			
	Beta coe		
0			-
	Correlat	ficient	
0			-
	Variance		
0			-

Fin	ancial Management (MGT201)			
Q	uestion: 10 (Marks: 1)	Attempted Questions: 4	Total Questions:	55
M	arket portion of risk can be represented through which of the following?			
		VuAnswers.com		-
C	ioices:			
0	Standard deviation			
				+
0	Beta coefficient			
0	Correlation coefficient			
-	Variance			+
0	Variance	Made by: Waqaı	: Sidd	lhu

Fin	ancial Management (MGT201)		
Qu	iestion: 11 (Marks: 1)	Attempted Questions: 4 Total Question	s: 55
In	Perfect Markets, the rational investors have diversified away which of the following?		
		VuAnswers.com	
Ch	oices:		
0	Company Specific Risk		-
0	Market risk		^
			-
0	Systematic risk		^
			-
0	Non-diversifiable risk		
0	<u> </u>	hade by: Maqar Sid	dhu

Fina	ancial Ma	ment (MGT201)		
Qu	estion:	(Marks: 1) Attempted Questions: 4	Total Questions:	55
In]	Perfect N	s, the rational investors have diversified away which of the following?		* III
				-
Ch	oices:			
0	Compan	cific Risk		-
				Ŧ
0	Market r			
				-
0	Systema	k		Â
				-
	Non-div	ıble risk		Â
0				-

Fin	ancial N	Manage	nent (MGT201)			
Qu	estion:	12	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
In are		et whe	e the SML (Security Market Line) has low slope, most of the investors			• 11
				VuAnswers.com		+
Ch	oices:					
	Risk lo	over				-
0						
_	Risk av	iterro piterro	~			-
0						
	Profess	sional i	vestors			*
0						
_			van antians			*
0	None	or me g	ven options			
			<u> </u>	ade by: Maqau	: Side	dha

Fin	nancial Management (MGT201)		
Qı	uestion: 12 (Marks: 1)	Attempted Questions: 4 Tota	I Questions: 55
are	a market where the SML (Security Market Lin e:		* III
Ch	hoices:		
	Risk lover		
			-
	Risk averse		
0			
	Professional investors		
0			
	None of the given options		<u>^</u>
0			

-IN	ancial Manage	ement (MG1201)			
Qu	estion: 13	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
	hat should be a firm?	e used to calculate the proportional amount of equity financing employed			* III
			VuAnswers.com		
Ch	oices:				
0	The book val	lue of the firm			·
					+
0	The sum of c	common stock and preferred stock on the balance sheet			^
	100000000000000000000000000000000000000				-
0	The current r outstanding	market price per share of common stock times the number of shares			^ []
_	The common	n stock equity account on the firm's balance sheet			
0		<u></u>	ade by: Maqa	r Sidd	lhq

Fin	ancial Management (I	IGT201)			
Qı	uestion: 13 (Marks	: 1) Attempte	ed Questions:	4 Total Questions: 55	
	hat should be used to a firm?	calculate the proportional amount of equity financing employed			•
~					Ŧ
Ch	noices:				
0	The book value of the	firm			Î
					Ŧ
0	The sum of common	stock and preferred stock on the balance sheet			
					Ŧ
	The current market p outstanding	ice per share of common stock times the number of shares			•
0					
					Ŧ
	The common stock e	puity account on the firm's balance sheet			Â
0					
					Ŧ

Inancia	ai Manag	ement (MG1201)			
Questio	on: 14	(Marks: 1)	Attempted Questions: 4 To	tal Questions:	55
Which	of the fo	llowing is an example of floatation cost	?		* III
			VuAnswers.com		•
Choice	S:				
Dra	wings by	owners			Î
200	1925 - 52	on purchase			•
	rest on c	apital			•
		ommission			*
		~	Made by: Maqar	Side	dh

Finan	ciai manag	gement (MG1201)						
Ques	tion: 14	(Marks: 1)			Attempted Questions:	4	Total Questions:	55
Whic	h of the fo	blowing is an exampl	le of floatation cos	st?				^
								+
Choi	ces:							
D	rawings b	y owners						^
\odot								
								-
С	ommissio	n on purchase						<u>^</u>
\odot								
								-
Ir	iterest on (capital						<u>^</u>
\odot								
								-
В	rokerage o	commission						<u>^</u>
\odot			\checkmark					
			•					
								· ·

Fin	ancial Ma	anage	ement (MGT201)										
Qu	uestion:	15	(Marks: 1)						Attem	pted Quest	tions: 4	Tot	al Questions:	55
In	the WAO	CC ec	quation (r _{DXD} + 1	r _{EXE} + rpxp), x d repr	esents which of	the following	g?							*
									VuAr	swer	s.co	m		
Ch	noices:													
0	Weight	or Fr	raction of Total	Capital value raised	from bonds	\checkmark	/							Î
				Capital value raised										*
0														-
0	Weight	or Fr	action of Total	Capital value raised	from common	stock								-
0						1991		anna Stend						+
0	Weight	or Fr	raction of Total	Capital value raised	from retained	earnings								Ô
							_ ^	had	e by	: W	Pag	ar	Sidd	lha

Fin	ancial Manage	ment (MGT201)		
Qı	estion: 15	(Marks: 1) Attempted Questions:	4 Total Questions: 55	
		uation ($r_{D}x_{D} + r_{E}x_{E} + r_{P}x_{P}$), x_{D} represents which of the following?		* III *
Ch	oices:			
0		action of Total Capital value raised from bonds		•
0	_	ction of Total Capital value raised from preferred stock		•
0		ction of Total Capital value raised from common stock		•
0	-	ction of Total Capital value raised from retained earnings		•

Fin	ancial Mana	gement ((MGT201)													
Q	estion: 1	6 (Mark	ks: 1)								Attempte	ed Question	ns:	4	Total Questions:	55
	e date on w cumented is			ckholders in t	he Stock T	ransfer Regi	ister of firi	m are								
										Vu	Ans	wers	.C	om		
Cł	oices:															
0	Declaration	n Date														
_																-
0	Holder-of-	record Da	ate													
				\overline{V}												
0	Ex-Divide	nd Date														
	Payment D															
0								Y	Ŋai	le	by:	W	AC	191	r Sidd	lhu

Fin	ancial Manage	ement (MGT201)								
Qı	estion: 16	(Marks: 1)				Attempted Questions:	4	Total Questions:	55	
	e date on whic cumented is re		cholders in the Sto	ck Transfer Regis	ster of firm are				[< III
										Ŧ
Cł	oices:									
	Declaration I	Date							ſ	-
0										
				Attempted Questions: 4 Total Questions: 5 Stock Transfer Register of firm are						
	Holder-of-rea	cord Date							ſ	*
0		、	/							
)								+
	Ex-Dividend	Date							ļ	-
0										
									_	+
	Payment Dat	e							(Î
0										

Fin	ancial Manage	ement (MGT201)			
Qu	estion: 17	(Marks: 1) Attempted Questions:	4	Total Questions:	55
on	which date so	o purchase the stock of ABC Company. Mr. X should purchase the stock that he can be entitled to receive the dividend, keeping in mind the is December 7?			* III
		VuAnswers.c	om		-
Ch	ioices:				
0	December 6				^
	December 7				+
0		\sim			•
0	December 8				
	December 9				-
0		Made by: Ma	qa	r Side	dhu

Qu	estion: 17	(Marks: 1) Attempted Questions: 4	Total Questions:	55
Mr on	. X is going to which date so	o purchase the stock of ABC Company. Mr. X should purchase the stock that he can be entitled to receive the dividend, keeping in mind the is December 7?		< III
	oices:			-
	December 6			<u>^</u>
0				•
	December 7			*
0		\sim		-
	December 8			<u>^</u>
0				-
	December 9			-
0				•



stock	nany ABC o		4	Total Questions:	
	holders bein ock dividen	ffers its stockholders 10 % stock dividends and Mr. S is one of its g the owner of 250 stocks. How many shares Mr. S has after availing d?			* III
Choi					
2	5				<u>^</u>
	\				-
5)	\sim			^
0					
2			 		* •
0					
2			 		* •
0					-

Fin	incial Management (MGT201)		
Qu	estion: 19 (Marks: 1)	Attempted Questions: 4 Total Questions:	55
	of the following can be the possible benefits of maintaining the large amorent assets EXCEPT:	unt in	•
		VuAnswers.com	
Ch	pices:		
0	Less risk of shortages & interruptions		• •
0	Less loss of sales due to availability of funds		*
0	Lower opportunity cost of capital		• •
	High liquidity leading to better credit Rating		*
0		Made by: Waqar Sid	dhu

Fin	ancial Manage	ement (MGT201)			
Qu	estion: 19	(Marks: 1)	Attempted Questions: 4	Total Questions: 55	
	of the follov rent assets <u>EX</u>	wing can be the possible benefits of maintaining the large amou <u>CEPT:</u>	nt in		<
					-
Ch	oices:				
0		hortages & interruptions			
	T 1 C	1 1			-
0		ales due to availability of funds			-
	Lower opport	unity cost of capital			-
0					-
0	High liquidity	leading to better credit Rating			
					-

Fin	ancial Management (MGT201)		
Q	Jestion: 20 (Marks: 1)	Attempted Questions: 4 Total (Questions: 55
lar	hich of the following best matches this statement: "A policy under which relative ge amount of cash, marketable securities, and inventories are carried and under whi les are stimulated by a liberal credit policy, resulting in a high level of receivable"?		
		VuAnswers.com	
Cł	ioices:		
0	Fat cat working capital policy		
_	Lean & Mean working capital policy		×
0	beam er menning enprint pene)		
	Moderate working capital policy		
0			
-	None of the given options		A
0		Made by: Waqar .	Siddhu

Fin	ancial Management (MGT201)			
Qu	Jestion: 20 (Marks: 1)	Attempted Questions: 4	Total Questions:	55
lar	hich of the following best matches this statement: "A policy under which relatively ge amount of cash, marketable securities, and inventories are carried and under which es are stimulated by a liberal credit policy, resulting in a high level of receivable"?			* III *
Ch	ioices:			
	Fat cat working capital policy			<u>^</u>
$^{\circ}$				
				_
	Lean & Mean working capital policy			
				+
	Moderate working capital policy			Ô
0				
				+
	None of the given options			-
$^{\circ}$				

Fin	ancial Manage	ement (MGT201)			
Q	estion: 21	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
W	hich of the foll	owing depicts the break even point in best way?			* II
			VuAnswers.com		Ŧ
Cł	ioices:				
0	EBIT = 0				
0	EBIT < 0				
					+
0	EBIT > 0				
0	None of the g	iven options			Î
			Made by: Waqa	r Sidd	lhu

			ement (MGT201)		
Qu	estion:	21	(Marks: 1) Attempted Questions: 4	Total Questions: 5	5
WI	nich of t	he foll	owing depicts the break even point in best way?		< III
	oices:				-
	EBIT =	= 0			*
	LDII	Č.			
0					Ŧ
	EBIT <	: 0			
0					
	EBIT >				*
	EDIT >	v			
0					Ŧ
	None o	f the g	given options		-
0					•

		gement (MG1201) (Marks: 1)	Attempted Questions: 4	Total Questions:	55
Whic	h of the	followings is an example of hedging (maturity in ing capital?			-
			VuAnswers.com		-
Choid	es:				
Fi	nancing sl	hort-term needs with short-term funds			
					-
Fi	nancing sl	hort-term needs with long-term debt			Â
					-
Fi	nancing s	easonal needs with long-term funds			Â
	17.	ome long-term needs with short-term funds			Â
			Made by: Waqa	r Sidd	lhc

Fina	ancial M	lanage	ement (MGT201)									
Qu	estion:	22	(Marks: 1)					Attempted Quest	tions: 4	4	Total Questions:	55
			ollowings is an 1g capital?	example of hedgi	ng (maturit	y matching)	approach to					< III
												-
Ch	oices:											_
0	Financi	ing sho	ort-term needs w	vith short-term fund	5	/						
					\sim							-
0	Financi	ing sho	ort-term needs w	vith long-term debt								
												-
0	Financi	ing sea	asonal needs witl	th long-term funds								
												-
	Financi	ing son	me long-term ne	eeds with short-term	funds							
0												*

Fin	ancial M	lanage	ment (MGT201)			
Q	estion:	24	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
			r unit falls and all other factors remain constant, the operating (units) will			* II
				VuAnswers.com		
Cł	ioices:					
0	Fall					
				212		-
0	Rise					-
						-
0	Remain	the sa	me			Â
						÷
			ven options			<u>^</u>
0			ุณุ	hade by: Waqa	r Sidd	lhu

Question: 24 (Marks: 1) Attempted Questions: 4 Total Q If selling price per unit falls and all other factors remain constant, the operating break-even points (units) will Total Q	uestions: 55
If selling price per unit falls and all other factors remain constant, the operating break-even points (units) will	
	-
Choices:	
Fall	Â
Rise	â
Remain the same	
\circ	
	-
None of the given options	<u>^</u>
	-

Fina	ncial Manage	ement (MGT201)				
Que	estion: 25	(Marks: 1)		Attempted Questions: 4	Total Questions:	55
		lowings are the explicit costs associated awyers and accountants?	with corporate default, such as			
				VuAnswers.con	1	-
Cho	pices:					
0	Flotation cos	ts				Â
	Default beta	coefficients				• •
						-
0	Direct bankrı	uptcy costs				Î
-		auptcy costs				
			m	ade by: Maqa	r Side	dha

			ement (MGT201)		
Qu	estion:	25	(Marks: 1) Attempted Questions: 4 T	otal Questions:	55
W1 fee	hich of t es paid to	the foll o the la	lowings are the explicit costs associated with corporate default, such as awyers and accountants?		▲ III
	oices:				-
	Flotatio	an cost	te		-
	FIOLAUC	on cost			
0					÷
	Default	t beta (coefficients		-
0					-
	Direct	bankru	iptcy costs		-
0					-
	Indirec	t bank	ruptcy costs		^
0					-

1000 M		-	ment (MGT201)	Attempted Questions:	Total Questions:	55
			(Marks: 1) e following, negative net worth of the company is expressed?	Attempted Questions: 4	Total Questions:	• •
				VuAnswers.con	n	÷
Ch	oices:					
0	Experier	ncing	a project failure			Î
0	Competi	tor's	insolvency			•
						+
0	Experier	icing	technical insolvency			â
						-
0	Experier	ıcing	accounting insolvency			
			^	hade by: Waqa	r Side	dh

-

FIN	ancial Mana	jement (MGT201)			
Qu	estion: 2	(Marks: 1)	Attempted Questions: 4	Total Questions: 5	5
		the following, negative net worth of the company is expressed?			4
Ch	oices:				
	Experienci	g a project failure			
0					_
		s insolvency			
0					
					Ŧ
	Experienci	g technical insolvency			Â
0					
					-
	Experience	g accounting insolvency			Î
0					
					-

Fina	ncial M	lanage	ment (MGT201)			
Que	estion:	27	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
Wh	ich of t	he follo	owing mathematical expressions refers to synergy?			•
				VuAnswers.com		-
Cho	ices:					
0	2+2=3					Â
	2+2=5					+
0			\checkmark			Ū
	2+2=4					^
0						+
	None o	f the g	ven options			•
				Made by: Waqaı	: Side	dha

			nent (MGT201)			
Q	estion:	27	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
			wing mathematical expressions refers to synergy?			< III +
	noices:					
	2+2=3					<u>^</u>
0						+
_	2+2=5					
0						•
_	2+2=4					-
0						-
	None o	f the g	ven options			-
0						-

Fin	ancial Manag	ement (MGT201)			
Qu	estion: 28	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
		alue of another similar firm is less than the cost of replacing the asse it is better to buy another firm. It is known as:	ts of		·
			VuAnswers.com		-
Ch	oices:				
0	Cherry picki	ng			•
					-
0	Divestiture				Î
					Ļ
	Spin-off				
0					÷
	Asset strippi	ng			-
0			Made by: Waqa	r Side	4h c

Fina	ancial Manag	ement (MGT201)		
Qu	estion: 28	(Marks: 1) Attempted Questions: 4	Total Questions:	55
Wł yoi	ur own firm, i	alue of another similar firm is less than the cost of replacing the assets of it is better to buy another firm. It is known as:		4 III +
Ch	oices:			
0	Cherry picki	ng		^
				Ŧ
	Divestiture			-
0				
	Spin-off			
0				-
	Asset strippi	ησ		
	risser saippi			
0				
				+

Fin	ancial N	lanagen	ient (MGT201)			
Q	estion:	29	(Marks: 1)	Attempted Questions: 4	Total Questions:	55
Ca 10	lculate (% and in	the Forv n Austra	ard Rate for Rupee if the interest on 1 Year Maturity in Pakistan is lia is 6% and the current spot rate is Rs.76/ AUD.			* III
				VuAnswers.com)	
Cł	oices:					
0	Rs. 6 p	er AUD				
0	Rs. 76	per AU)			â
	ALC: NO.	20.00		55		
0	Rs. 79	per AU				Ô
			\sim			Ŧ
0	Rs. 450	6 per Al	D			
			<u> </u>	hade by: Waqa	r Side	dhe

Fin	ancial Mana	ement (MGT201)		
Q	uestion: 29	(Marks: 1)	Attempted Questions: 4 Tota	I Questions: 55
Ca 10	lculate the F % and in Au	orward Rate for Rupee if the interest on 1 Year Maturity in Pakistan is tralia is 6% and the current spot rate is Rs.76/ AUD.		*
Cł	noices:			
	Rs. 6 per A	D		
0				
	Rs. 76 per A	UD		
0				
	Rs. 79 per A	UD		
0				
				-
	Rs. 456 per	AUD		
$^{\circ}$				
				· · · · · · · · · · · · · · · · · · ·

Question: 30 (Marks: 1) Attempted Questions: 4 Total Question What is bid rate for currency? VuAnswers.com	ons: 33
VuAnswers.com	The second secon
	*
	-
Choices:	
Buying rate for currency	
	*
Selling rate of currency	Â
	*
Forward rate of currency	Â
Ask rate of currency	Â
Made by: Waqar Si	ddhu

	ancial Management (MGT201)			
Qu	iestion: 30 (Marks: 1)	Attempted Questions: 4	Total Questions:	55
Wł	hat is bid rate for currency?			< III
	oices:			+
	Buying rate for currency			-
0				-
	Selling rate of currency			<u>^</u>
0				-
	Forward rate of currency			-
0				*
	Ask rate of currency			
0				+

Fin	uncial Management (MGT201)	
Q	estion: 31 (Marks: 1) Attempted Questions: 4 Total Questions:	55
Ru	u have 25 Indian Rupees and you want to exchange these Indian Rupees with Pakistan pees. You go to a money changer and he tells you the selling rate of 1 Indian Rupee is 041 PKR. The rate 1.8041 PKR is referred as:	* E
	VuAnswers.com	Ŧ
Cł	oices:	
0	Bid rate	^
		-
0	Forward rate	Â
		-
0	Future rate	
		+
0	Askrate Made by: Wagar Sidd	î hr
	June bl. Madar Sun	

Fin	ancial Manage	ement (MGT201)		
Qı	uestion: 31	(Marks: 1) Attempted Questions: 4	Total Questions: 5	5
Ru	ipees. You go	tian Rupees and you want to exchange these Indian Rupees with Pakistan to a money changer and he tells you the selling rate of 1 Indian Rupee is he rate 1.8041 PKR is referred as:		* III
	noices:			-
	Bid rate			
0				Ŧ
_	E			
	Forward rate			
0				*
	Future rate			
	I duare rate			
0				-
	Ask rate			
0				Ŧ

Fina	ncial M	lanage	ement (MGT201)					
Que	estion:	32	(Marks: 1)			Attempted Questions: 4	Total Questions:	55
	ich one estment			s and techniques is NOT emplo	oyed while analyzing			* III
						VuAnswers.co	m	•
Cho	ices:							
]	Net Pre	esent V	/alue					^
\odot								
-			ash Flows					A
0								
0								
-								
	lime V	alue c	of Money					Ô
0								
2								-
]	Forecas	sted fir	nancial statements	/				^
0				. /				
				\checkmark	000		A+ 1	
					(v rj	ade by: Waq	ar Sia	ahu

Fin	ancial M	anage	ment (MGT201)								
Qu	estion:	32	(Marks: 1)				Attempted (Questions:	4	Total Questions:	55
inv	estment	t decisi	following concepts ons?								4 III +
Ch	oices:										
	Net Pre	sent V	alue								^
0											
			ash Flows	 	 	 					<u>^</u>
0											
			f Money	 	 	 					
0			. Wone y								•
	Forecas	sted fin	ancial statements	/							-
0					 						+

Fin	ancial Manage	ment (MGT201)		
Qu	estion: 33	(Marks: 1) Attempted Questions: 4 To	otal Questions:	55
		ven feature is an optional retirement provision that permits the issuing back a debt issue before its maturity date at a particular date?		< III
		VuAnswers.com		
Ch	ioices:			
0	Call in			-
				-
0	Call option			
				+
0	Call provisio			
	Put option			
0		Made by: Waqar	Sidd	hu

Fin	ancial Mar	agement	(MGT201)			
Q	lestion:	33 (Mar	ks: 1) Attempted Questions:	4	Total Questions:	55
			eature is an optional retirement provision that permits the issuing debt issue before its maturity date at a particular date?			
CI	ioices:					*
						•
	Call in					
0						
						-
	Call optic	n				^
0						
_	Call prov	sion				
	Cui provi	SIGH				
0		`				Ŧ
	Put option	1				-
~						
0						Ŧ

Fin	ancial Management (MGT201)		
Qı	estion: 35 (Marks: 1)	Attempted Questions: 4 Total Questions:	55
Ar	investor will not invest in a particular stock if:		* W
		VuAnswers.com	-
Ch	oices:		
0	Stock's Required Return is lower than its Expected Return		•
			-
0	Stock's Required Return is higher than its Expected Return		•
	Stock's Required Return is equal to its Expected Return		
0			+
0	All of the given options		
		Made by: Wagar Sid	dhu

гm	anciai manag	ement (MGT201)				
Qı	estion: 35	(Marks: 1)	Attempted	Questions: 4	4 Total Questions:	55
An	1 investor will	not invest in a particular stock if:				< III
	ioices:					
	Stock's Requ	ired Return is lower than its Expected Return				*
0						+
	Stock's Requ	ired Return is higher than its Expected Return				<u>^</u>
0						+
	Stock's Requ	ired Return is equal to its Expected Return				^
0						+
	All of the give	en options				*
0						+

		ement (MGT201)			
	Jestion: 36		Attempted Questions: 4	Total Questions:	55
		ational decision of an investor if his required rate of return estimated return?	I TOT A SLOCK IS		m
			VuAnswers.com]	+
Cł	noices:				
0	It is time to s	sell stock			Î
	It is time to b	buy stock			+
0		15 7 .R			
_					+
0	It is time to t	buy and sell of stock			
		given options			+
0	tione of me				
			Made by: Waqa	r Sidd	lhe

Fin	ancial M	lanage	ement (MGT201)		
Qu	estion:	36	(Marks: 1) Attempted Questions: 4	Total Questions:	55
			tional decision of an investor if his required rate of return for a stock is stimated return?		* III
					-
Ch	oices:				
0	It is tim	ie to s	ell stock		
					Ŧ
0	It is tim	ie to b	ouy stock		Î
					-
_	It is tim	ie to b	ouy and sell of stock		
0					Ŧ
	None o	f the g	given options		^
0					T

Fina		anager	ment (MGT201)				
Qu	estion:	37	(Marks: 1) Attempted Ques	ions:	4	Total Questions:	55
Ke = 1		to viev	w SML equation, which of the given statement is CORRECT if stock β				* III
			VuAnswe	rs	.co	m	-
Ch	oices:						
0			of return of stock =Market return				÷
0	Required	d rate	of return of stock< Market return				*
0	5		of return of stock >Market return				*
0			e information to interpret the situation Made by: V		99	ar Sid	í dhu

Fina	Financial Management (MGT201)								
Qu	estion: 37	(Marks: 1) Attempte	ed Questions:	4	Total Questions:	55			
= 1		w SML equation, which of the given statement is CORRECT if stock β				•			
Ch	oices:						141		
	Required rate	of return of stock =Market return				Â			
0									
		of return of stock< Market return				• •			
0							L		
						Ŧ			
	Required rate	of return of stock >Market return				Â			
0							L		
						-			
	Required mor	e information to interpret the situation							
0									
						-			

linan	cial Ma	nage	ement (MGT201)							
Ques	tion:	38	(Marks: 1)			Attempte	ed Questions:	4	Total Questions:	55
	r Net ir of capit		ne approach, which of the following is a c	orrect sequence of calc	ulating					*
						VuAns	wers.c	om		-
Choi	ces:									
N	et inco	me –	→ Total firm's market value \rightarrow WACC							-
0										
			WACC							
18	etincoi	me –	→ WACC → total firm's market value							
0										
										-
W	ACC -	\rightarrow Ne	et income \rightarrow market value of equity							<u>^</u>
\odot										
			of firm \rightarrow WACC \rightarrow Net income							-
		uue		1						
				1/						
					= Ma	de by:	11/9	aai	r Sidd	lhu
		- 03						Contraction of the second		100104-002-02

Fin	ancial M	lanage	ment (MGT201)				
Qu	estion:	38	(Marks: 1)	Attempted Questions:	4	Total Questions:	55
	der Net st of cap		e approach, which of the following is a correct sequence of calculating				
							-
Ch	oices:						
	Net inc	ome –	→ Total firm's market value \rightarrow WACC				
							Ŧ
	Net inc	ome –	→ WACC → total firm's market value				^
0							+
	WACC	$L \rightarrow Ne$	et income \rightarrow market value of equity				*
0							
							-
	Market	value	of firm \rightarrow WACC \rightarrow Net income				Â
0							Ŧ

Financial Man	gement (MGT201)					
Question: 3) (Marks: 1)	Attempted Questions:	4	Total Questions:	55	
	ssets of Rs. 16,000; current liabilities of R atio would be:	Rs. 10,000; and Inventory of Rs.				A 111
		VuAnswers.co	om			
Choices:						

	1.35	-
		-
	6.0	*
		-
2		
_		Ŧ
	1.60	*
ĵ.		
-	0.05	
	0.25	
ŝ		
	Made by: Magar Siddh	
-		-

Financial Manage	ment (MGT201)					
Question: 39	(Marks: 1)	Attempted Questions:	4	Total Questions:	55	
With current asse 2500, current ratio	ts of Rs. 16,000; current liabilities of Rs. 10,000; and Inventory of Rs. o would be:					
						l
Choices:						

	1.35	^
		Ŧ
	6.0	-
		Ŧ
	1.60	*
D		
		Ŧ
	0.25	-
		_
0		
		Ŧ

Fin	ancial Management (MGT201)		
Qu	estion: 40 (Marks: 1)	Attempted Questions: 4 Total	Questions: 55
	rporation C has invested a large amount in its fixed assets. Which of the following tements is likely to be true for this firm?		A III
		VuAnswers.com	
Ch	oices:		
0	High profitability but low risk		^
0	High profitability but high risk		
0	Low profitability but high risk		
	Low profitability but low risk		
		Jade by: Waqar ,	Siddhu

Fin	ancial Management (MGT201)			
Qu	estion: 40 (Marks: 1)	Attempted Questions: 4	Total Questions:	55
Co sta	rporation C has invested a large amount in its fixed assets. Which of the following tements is likely to be true for this firm?			
Ch	oices:			-
	High profitability but low risk			
0				-
	High profitability but high risk			
0				-
	Low profitability but high risk			-
0				-
	Low profitability but low risk			^
0				Ŧ

Finan	ncial Management (MGT201)	
Ques	stion: 41 (Marks: 1) Attempted Questions: 4 Total Questions:	55
All o	of the following are the components of CML (capital market line) equation <u>EXCEPT</u> :	1
	VuAnswers.com	
Choi	ices:	
R	Risk free rate of return	
		-
R	Risk of the market	
R	Risk of stock portfolio	
		-
0 0	Net present value	
	Made by: Waqar Sida	lhu

Fin	ancial Man	gement (MGT201)		
Qı	estion: 4	(Marks: 1)	Attempted Questions: 4	Total Questions: 55
Al	l of the foll	wing are the components of CML (capital market line) equation <u>EXCEPT</u> :		
Ch	ioices:			
		te of return		
	KISK II CC I			
0				
	Risk of the	market		
0				
	Risk of sto	k portfolio		
0				
Ŭ				
	Net preser	value		
~				-
0				

Fin	ancial Management (MGT201)		
Q	uestion: 42 (Marks: 1)	Attempted Questions: 4 Total Ques	stions: 55
	equired ROR (rate of return) is different for every individual, but it is based on the following?	which	
		VuAnswers.com	
C	ioices:		
0	Perceived Risk relative to Market		-
			-
0	Every Investor's Personal Opportunity Cost of Capital preference		
_			-
0	Psychological Risk Profile of each Investor		Î
			*
0	All of the given options		
		Made by: Waqar S	iddhu

Fin	ancial Ma	anage	ement (MGT201)				
Qu	estion:	42	(Marks: 1) Attempted Questio	ns: 🧳	4	Total Questions:	55
Re of	quired R the follow	OR (wing	(rate of return) is different for every individual, but it is based on which ?				< III
							-
Ch	oices:						
	Perceive	ed Ri	sk relative to Market				Â
0							
0	Every In	ivest	or's Personal Opportunity Cost of Capital preference				
	Psycholo	ogica	al Risk Profile of each Investor				
0							-
	All of th	ie giv	ven options				-
0							-
-							

Fina	ncial Ma	lanage	ment (MGT201)			
Que	stion:	43	(Marks: 1)	Attempted Questions:	4 Total Question	: 55
			effective interest rate if a bank offers 7% annual interest rate on fix emiannually?			
				VuAnswers.c	om	-
Cho	ices:					
0	.12%					Â
						-
	.00%					^
0				2		Ŧ
1	.0.71%	6	/			ŕ
0		`				
		2010	iven option			Â
0			ุท์	Jade by: Waa	yar Sid	ldhu

-1116	anciai m	anage	nent (MGT201)				
Qu	estion:	43	(Marks: 1) Attempted Questions:	4	Total Questions:	55	
			effective interest rate if a bank offers 7% annual interest rate on fix emiannually?			▲ [III]	
	oices:						
	7.12%					^	
0							
	7.00%					-	ľ
0							
	10.71%					-	
0		`				-	-
	None of	f the g	ven option			^	
0							-

Fin	ancial N	lanage	ment (MGT20	1)									
Qu	estion:	44	(Marks: 1)						Attempted	Questions:	4	Total Questions:	55
Th	e decisi	on of th	ie required de	bt and equity rat	io is m <mark>a</mark> de by [.]	which of the f	following?						* III
								 V	′uAns	wers.	cor	n	-
Ch	oices:												
0	Board	of direc	tors										•
0	Banks												*
0	Financ	ial anal	yst										-
0	Shareh	olders						ade	by:	W	299	nr Side	á hu

Fin	ancial N	lanage	ment (MGT201)			
Qu	estion:	44	(Marks: 1) Attempted Questions	: 4	Total Questions:	55
Th	e decisi	on of th	he required debt and equity ratio is made by which of the following?			
Ch	oices:					-
	Board	of direc	ctors			<u>^</u>
0						-
	Banks					<u>^</u>
0						-
	Financi	ial anal	yst			-
0						•
	Shareh	olders				<u>^</u>
0						-

Financial Management (MGT201)			
Question: 45 (Marks: 1)	Attempted Questions: 4	Total Questions: 55	
Which of the following is Not an example of bankruptcy cost?			
	VuAnswers.com		-
Choices:			
Loss on sale of assets			•
			-
Fee paid to lawyers and accountants			Ĵ
			+
Possible penalties & legal claims			
			-
Fee paid to underwriters for issuance of stock			ŝ
ິດ	Made by: Waqau	: Siddh	ų

incodi officiale

_		ement (MGT201)					
Qı	uestion: 45	(Marks: 1)		Attempted Questions:	4	Total Questions:	55
W	hich of the fol	llowing is Not an example of bankr	uptcy cost?				* III
							-
Cł	noices:						
0	Loss on sale	of assets					
							-
0	Fee paid to la	awyers and accountants					Â
							-
\odot	Possible pena	alties & legal claims					
							-
0	Fee paid to u	inderwriters for issuance of stock					^
0							Ŧ

Financial M	anagement (MGT201)			
Question:	46 (Marks: 1)	Attempted Questions: 4	Total Questions:	55
What hap	ens to the total risk when leverage increases with higher rate?			•
		VuAnswers.com		
Choices:				
Total r	sk increases with slow rate than the leverage			Â
				-
Total r	sk increases with decreasing rate			Î
				-
Total r	sk remains the same			^
				Ŧ
Total r	sk increases faster than the leverage			Â
		Made by: Waqa	r Sidd	lhu

Fin	inancial Management (MGT201)												
Qı	lestion:	46	(Marks: 1)						Attempted	Questions:	4	Total Questions:	55
W	hat happe	ens to	the total risk when le	verage increases	with higher 1	rate?							
~													-
Cł	ioices:												
0	Total ris	sk inc	eases with slow rate	than the leverage	•								Î
													-
0			eases with decreasing	-									Â
	Total ris	ak rem	ains the same										
0													
			eases faster than the										• •
0				V		/							-

MORE PAST PAPERS BY WAQAR SIDDHU

Provide Solved in PDF From





