ACC501- Business Finance

Mid Term Short Question File

Prepared By

Brave Heart Innocent Mishii

Fall 2015

1. Return on Assets and Return on Equity long question
2. Dividend Payout question
3. Ratios, PV and FV
4. Difference between Government bond and Floating bond?
5. A question of Cash Flows
6. LMN Corporation pays out 40% of net income in form of dividends. What is its retention ratio?
7. If net income of LMN is $800, how much did stockholders actually receive?

June 20, 2015

Q1. Difference between ordinary annuity and annuity due?

Q2. Numerical was given about calculate

Simple interest rate

Compound interest

Q3. statement was given and calculate

total debt?

equity ratio?

equity multiplier?

Q4. bond rating? Define PACRA ratings, AAA, AA, A and BBB?

January 15, 2015

- Interest only Loans Numerical ques 3 Marks
- Lower the coupon will lead to the higher interest rate risk. Explain this 3 Marks.
- Compare the return rate with the rate of shares and bonds, something like that don't remember exact words. 3 Marks.
- Effective Annual Rate (EAR) Numerical ques 5 Marks
- One ques was from income statement. Data was given. 5 Marks

January 15, 2015

Q-What are the basic three determinants of term structure?

Q-Why the **present value of an ordinary annuity is less than that of an annuity due**?

Q-Match the function of each ratio provided in "List B" with the name of the ratios provided in "List A". Provide the correct matching in "List C".

List A	List B	List C Matching of A & B
Liquidity Ratios	Ability to meet long-term obligations	
Financial Leverage Ratios	Ability to pay bills in the short run	
Asset Management Ratios	Going beyond financial statements	
Profitability Ratios	Ability to control expenses	
Market Value Ratios	Intensity and efficiency of asset use	

Q-Define benchmarking. Discuss the methods used for benchmarking.

Fall 2014

- Fisher Effect Numerical (Lesson-21) 5 Marks
- Difference between Semiannual and Quarterly Coupon Bonds (Lesson-18) 5 Marks
- Interest only Loans Numerical (Lesson-16) 5 Marks

- Effective Annual Rate (EAR) Numerical (Lesson-16) 5 Marks

June 9, 2014

1. Now Ali is 23 years old have two sons. He wants 2 million for son's further higher education until when he become 38 years so how much he will pay his money of 21%? [3 marks]

3. Coupon rate is low rather than its market worth so what would effect on interest rate on bond or investors? Clarify? [5 marks]

4. Calculate real interest while: [5marks]

a) Nominal rate is 15% and inflation rate is 5%

b) Nominal rate is 12 % and inflation rate is 7%

1).Difference between call provision and call premium?

2). Question was given to find number of periods in future value?

3).To find liabilities and level of inventories, current ratio, current assets and quick ratio was given.

4).To find the value of bond everything was given coupon value, face value, yeild etc.

5). To calculate effective interest on 14% compounded annually.

- Quarterly
- Monthly

  - What do profitability ratios measure? Name commonly used ratios used in this regard.
  - Write down the content of bond indenture.
  - Why the present value of an ordinary annuity is less than that of an annuity due?
  - Write internal and external uses of financial statements information.
  - what is meant by total assets management ratios? name any common ratio under this category?

1: Receivable Turnover find out krna tha . 5 Marks

2: Bechmarking and it's method's . 5Marks

3: Bond pricing theorem. 3 Marks

4: In The Du Pont Identity ROE is effected by which three things? 3 Marks

1) Abdullah started his business from the value of 800,000. And he wants to invest further amount in the bank amount of 200,0000 what will be his total earn from the investment of 17% (3 marks)

2) Find return rate? 3 Marks

3) Find debit equity? 3 Marks

4) Find bond, the face value ,coupon value two percentages value and years was given. 5 Marks

June 16, 2014

2 marks: what is real rate and nominal rate, describe it?
3 marks: ka kuch ese tha: Mr. Akram have done MBA and is working in a private organization and wants to start his own business, initially he has 700000 for investment but the business he wants to start requires an investment of 14000000. if he can get 16 percent annualy (i think) then in how much years he will be able to collect the required amount?
ek 5 marks ka tha us me kuch values given thi or debt-euity ration maloom krna thi.
5 marks: usme 3 values given thi jin se current liabilities or current assets maloom krna the