

世新大學九十八學年度碩士班招生考試試題卷

第 1 頁共計 5 頁

系所組別	考 試 科 目
財務金融學系	財務管理

※本考題 ☒ 可使用 ☐ 禁止使用 簡易型電子計算機

※考生請於答案卷內作答

一、單選題（60 分，每題 3 分）

1. Which one of the following will increase the cash cycle?
 - (a) improving the cash discounts given to customers who pay their accounts early
 - (b) having a larger percentage of customers paying with cash instead of credit
 - (c) buying less raw materials to have on hand
 - (d) paying your suppliers earlier to receive the discount they offer
 - (e) ordering raw materials inventory only when you need it

2. The dividend-irrelevance proposition of Miller and Modigliani depends on the following relationship between investment policy and dividend policy.
 - (a) The level of investment does not influence or matter to the dividend decision.
 - (b) Once dividend policy is set the investment decision can be made as desired.
 - (c) The investment policy is set before the dividend decision and not changed by dividend policy.
 - (d) Since dividend policy is irrelevant there is no relationship between investment policy and dividend policy.
 - (e) Miller and Modigliani were only concerned about capital structure.

3. The basic lesson of MM theory is that the value of a firm is dependent upon the:
 - (a) capital structure of the firm.
 - (b) total cash flows of the firm.
 - (c) percentage of a firm to which the bondholders have a claim.
 - (d) tax claim placed on the firm by the government.
 - (e) size of the stockholders claims on the firm.

4. If the financial markets are efficient, then investors should expect their investments in those markets to:
 - (a) earn extraordinary returns on a routine basis.
 - (b) generally have positive net present values.
 - (c) generally have zero net present values.
 - (d) produce arbitrage opportunities on a routine basis.
 - (e) produce negative returns on a routine basis.

5. If a firm has low fixed costs relative to all other firms in the same industry, a large change in sales volume (either up or down) would have:
 - (a) a smaller change in EBIT for the firm versus the other firms.
 - (b) no effect in any way on the firms as volume does not effect fixed costs.
 - (c) a decreasing effect on the cyclical nature of the business.
 - (d) a larger change in EBIT for the firm versus the other firms.
 - (e) None of the above.

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6. Companies that have highly cyclical sales will have a:
- (a) low beta if sales are highly dependent on the market cycle.
 - (b) high beta if sales are highly dependent on the market cycle.
 - (c) high beta if sales are independent on the market cycle.
 - (d) All of the above.
 - (e) None of the above.
7. The betas along with the factors in the APT adjust the expected return for:
- (a) calculation errors.
 - (b) unsystematic risks.
 - (c) spurious correlations of factors.
 - (d) differences between actual and expected levels of factors.
 - (e) All of the above.
8. 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.
9. 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.
10. The present value break-even point is superior to the accounting break-even point because:
- (a) present value break-even is more complicated to calculate.
 - (b) present value break-even covers the economic opportunity costs of the investment.
 - (c) present value break-even is the same as sensitivity analysis.
 - (d) present value break-even covers the fixed costs of production, which the accounting break-even does not.
 - (e) present value break-even covers the variable costs of production, which the accounting break-even does not.

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11. The elements that cause problems with the use of the IRR in projects that are mutually exclusive are:

- (a) the discount rate and scale problems.
- (b) timing and scale problems.
- (c) the discount rate and timing problems.
- (d) scale and reversing flow problems.
- (e) timing and reversing flow problems.

12. The total interest paid on a zero-coupon bond is equal to:

- (a) zero.
- (b) the face value minus the issue price.
- (c) the face value minus the market price on the maturity date.
- (d) \$1,000 minus the face value.
- (e) \$1,000 minus the par value.

13. When making financial decisions related to assets, you should:

- (a) always consider market values.
- (b) place more emphasis on book values than on market values.
- (c) rely primarily on the value of assets as shown on the balance sheet.
- (d) place primary emphasis on historical costs.
- (e) only consider market values if they are less than book values.

14. According to Generally Accepted Accounting Principles, costs are:

- (a) recorded as incurred.
- (b) recorded when paid.
- (c) matched with revenues.
- (d) matched with production levels.
- (e) expensed as management desires.

15. Free cash flow is:

- (a) without cost to the firm.
- (b) net income plus taxes.
- (c) an increase in net working capital.
- (d) cash that the firm is free to distribute to creditors and stockholders.
- (e) None of the above.

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16. Which one of the following is a capital budgeting decision?

- (a) determining how much debt should be borrowed from a particular lender
- (b) deciding whether or not to open a new store
- (c) deciding when to repay a long-term debt
- (d) determining how much inventory to keep on hand
- (e) determining how much money should be kept in the checking account

17. The sustainable growth rate will be equivalent to the internal growth rate when:

- (a) a firm has no debt.
- (b) the growth rate is positive.
- (c) the plowback ratio is positive but less than 1.
- (d) a firm has a debt-equity ratio exactly equal to 1.
- (e) net income is greater than zero.

18. If you consider the equity of a firm to be an option on the firm's assets then the act of paying off debt is comparable to _____ on the assets of the firm.

- (a) purchasing a put option
- (b) purchasing a call option
- (c) exercising an in-the-money put option
- (d) exercising an in-the-money call option
- (e) selling a call option

19. 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.

20. Accounting profits and cash flows are:

- (a) generally the same since they reflect current laws and accounting standards.
- (b) generally the same since accounting profits reflect when the cash flow are received.
- (c) generally not the same since GAAP allows for revenue recognition separate from the receipt of cash flows.
- (d) generally not the same because cash inflows occur before revenue recognition.
- (e) Both (c) and (d).

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二、計算題（40 分，每小題 5 分）

1. During the year, SHU Corporation had sales and cost of goods sold of \$600 and \$300, respectively. Depreciation was \$150 and interest paid was \$30. Taxes were calculated at a straight 35 percent. Dividends were \$30. (All figures are in millions of dollars.)
 - (a) What was operating cash flow for SHU Corporation?
 - (b) Suppose that beginning net fixed assets were \$500 and ending net fixed assets were \$750. What was the net capital spending for the year?
 - (c) Suppose that SHU Corporation started the year with \$2,130 in current assets and \$1,620 in current liabilities, and that the corresponding ending figures were \$2,260 and \$1,710. What was the change in net working capital during the year?

2. SHU Corporation plans to announce that it will issue \$2 million of perpetual debt and use the proceeds to repurchase common stock. The bonds will sell at par with a 6 percent annual coupon rate. SHU Corporation is currently an all-equity firm worth \$10 million with 500,000 shares of common stock outstanding. After the sale of the bonds, SHU Corporation will maintain the new capital structure indefinitely. SHU Corporation currently generates annual pretax earnings of \$1.5 million. This level of earnings is expected to remain constant in perpetuity. SHU Corporation is subject to a corporate tax rate of 40 percent.
 - (a) What is the expected return on SHU's equity before the announcement of the debt issue?
 - (b) What is SHU's stock price per share immediately after the repurchase announcement?
 - (c) What is the required return on SHU's equity after the restructuring?

3. SHU Corporation currently has 2 million shares outstanding. The stock sells for \$50 per share. To raise \$20 million for a new particle accelerator, the firm is considering a rights offering at \$20 per share.
 - (a) What is the ex-rights price?
 - (b) What is the value of a right?