

世新大學九十九學年度碩士班招生考試試題卷

第 1 頁共計 7 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)

請務必標示題號，並請字跡清楚，否則不予計分

1. Stock splits can be used to:

- (A) adjust the market price of a stock such that it falls within a preferred trading range.
- (B) decrease the excess cash held by a firm.
- (C) increase both the number of shares outstanding and the market price per share.
- (D) increase the total equity of a firm.
- (E) adjust the debt-equity ratio.

2. Individuals who continually monitor the financial markets seeking mispriced securities:

- (A) earn excess profits over the long-term.
- (B) make the markets increasingly more efficient.
- (C) are never able to find a security that is temporarily mispriced.
- (D) are overwhelmingly successful provided they trade within five minutes of their discovery.
- (E) are always quite successful using only historical price information as their basis of evaluation.

3. The SHU Corporation is looking at a project that will require \$40,000 in net working capital and \$100,000 in fixed assets. The project is expected to produce annual sales of \$90,000 with associated costs of \$60,000. The project has a 10-year life. The company uses straight-line depreciation to a zero book value over the life of the project. The tax rate is 35 percent. What is the operating cash flow for this project?

- (A) \$17,000
- (B) \$19,500
- (C) \$23,000
- (D) \$33,000
- (E) \$90,000

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4. You are considering a project with the following data:

Internal rate of return	11.4 percent
Profitability ratio	1.03
Net present value	\$437
Payback period	3.1 years
Required return	11.25 percent

Which one of the following is correct given this information?

- (A) The discount rate used in computing the net present value was less than 11.25 percent.
- (B) The discounted payback period will have to be less than 3.1 years.
- (C) The discount rate used to compute the profitability ratio was equal to the internal rate of return.
- (D) This project should be accepted based on the profitability ratio.
- (E) This project should be rejected based on the internal rate of return.

5. Stephanie owns 300 shares of Blasco stock. The company recently issued a statement that it will pay a dividend per share of \$.80 this year and a \$.40 per share dividend next year. Stephanie does not want any dividend this year but does want as much dividend income as possible next year. Her required return on this stock is 10 percent. Ignoring taxes, what will Stephanie's total homemade dividend be next year?

- (A) \$317.36
- (B) \$327.27
- (C) \$360.00
- (D) \$384.00
- (E) \$396.00

6. Which of the following help convince managers to work in the best interest of the stockholders?

- I. compensation based on the value of the stock
- II. stock option plans
- III. threat of a company takeover
- IV. threat of a proxy fight

- (A) I and II only
- (B) III and IV only
- (C) I, II, and III only
- (D) I, III, and IV only
- (E) I, II, III, and IV

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7. SHU Corporation has total assets of \$2,810. These assets are expected to increase in value to either \$2,900 or \$3,200 by next year. The company has a pure discount bond outstanding with a face value of \$3,000. This bond matures in one year. Currently, U.S. Treasury bills are yielding 4.8 percent. What is the value of the equity in this firm?

- (A) \$190.00
- (B) \$52.60
- (C) \$28.55
- (D) \$47.08
- (E) \$121.89

8. SHU Corporation has sales of \$468,000, average accounts receivable of \$27,500, and average accounts payable of \$22,300. The cost of goods sold is equivalent to 75 percent of sales. How long does it take SHU Corporation to pay their suppliers?

- (A) 12.76 days
- (B) 17.39 days
- (C) 23.19 days
- (D) 25.89 days
- (E) 28.60 days

9. SHU Corporation recently paid \$1.65 as an annual dividend. Future dividends are projected at \$1.68, \$1.72, \$1.76, and \$1.80 over the next four years, respectively. Beginning five years from now, the dividend is expected to increase by 2.5 percent annually. What is one share of this stock worth to you if you require an 11 percent rate of return on similar investments?

- (A) \$18.49
- (B) \$19.68
- (C) \$21.33
- (D) \$24.33
- (E) \$25.90

10. A firm has a debt-equity ratio of 62 percent, a total asset turnover of 1.39, and a profit margin of 7.8 percent. The total equity is \$672,100. What is the amount of the net income?

- (A) \$118,048
- (B) \$119,600
- (C) \$120,202
- (D) \$121,212
- (E) \$124,097

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11. SHU Corporation wants to raise \$6.2 million to expand their business. To accomplish this, they plan to sell 20-year, \$1,000 face value, zero-coupon bonds. The bonds will be priced to yield 9.5 percent. What is the minimum number of bonds they must sell to raise the \$6.2 million they need?

Note: $PVIF(9.5\%, 20) = 0.162824$, $PVIF(4.75\%, 20) = 0.395293$, $PVIF(4.75\%, 40) = 0.156257$

- (A) 38,078
- (B) 42,500
- (C) 54,500
- (D) 57,500
- (E) 61,333

12. SHU Corporation has two separate divisions. Each division is in a separate line of business. Division A is the largest division and represents 65 percent of the firm's overall sales. Division A is also the riskier of the two divisions. Division B is the smaller and least risky of the two. When management is deciding which of the various divisional projects should be accepted, the managers should:

- (A) allocate more funds to Division A since it is the largest of the two divisions.
- (B) fund all of Division B's projects first since they tend to be less risky and then allocate the remaining funds to the Division A projects that have the highest net present values.
- (C) allocate the company's funds to the projects with the highest net present values based on the firm's weighted average cost of capital.
- (D) assign appropriate, but differing, discount rates to each project and then select the projects with the highest net present values.
- (E) fund the highest net present value projects from each division based on an allocation of 65 percent of the funds to Division A and 35 percent of the funds to Division B.

13. You are comparing two mutually exclusive projects. The crossover point is 11.46 percent. You determine that you should accept project B if the required return is 9.8 percent. This implies you should:

- (A) always accept project B.
- (B) accept project B anytime the required return is greater than the crossover rate.
- (C) only accept project A if the required return equals the crossover rate.
- (D) accept project B anytime the required return is less than the crossover rate.
- (E) accept project B at a required return of 9.8 percent and accept project A at all other required rates.

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14. The SHU Corporation is an all equity firm that has 2,500 shares of stock outstanding at a market price of \$20 a share. Company management has decided to issue \$10,000 worth of debt and use the funds to repurchase shares of the outstanding stock. The interest rate on the debt will be 8.5 percent. What are the earnings per share at the break-even level of earnings before interest and taxes? Ignore taxes.

- (A) \$1.63
- (B) \$1.70
- (C) \$1.82
- (D) \$1.88
- (E) \$1.94

15. SHU Corporation has expected earnings before interest and taxes of \$3,800. Its unlevered cost of capital is 14.5 percent and its tax rate is 35 percent. SHU Corporation has debt with both a market and a face value of \$2,200. This debt has a 7.5 percent coupon and pays interest annually. What is the firm's weighted average cost of capital?

- (A) 12.48 percent
- (B) 12.99 percent
- (C) 13.87 percent
- (D) 14.14 percent
- (E) 14.37 percent

16. The common stock of SHU Corporation has a beta of .98 and an expected return of 12.34 percent. The risk-free rate of return is 4.1 percent and the market rate of return is 11.65 percent. Which one of the following statements is true given this information?

- (A) The return on SHU Corporation stock will graph below the Security Market Line.
- (B) SHU Corporation stock is underpriced.
- (C) The expected return on SHU Corporation stock based on the Capital Asset Pricing Model is 15.52 percent.
- (D) SHU Corporation stock has more systematic risk than the overall market.
- (E) SHU Corporation stock is correctly priced.

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17. Which one of the following characteristics best describes a project that has a low degree of operating leverage?

- (A) high variable costs relative to the fixed costs
- (B) relatively high initial cash outlay
- (C) an OCF that is highly sensitive to the sales quantity
- (D) high level of forecasting risk
- (E) a DOL of five or greater

18. The SHU Corporation have been busy analyzing a new product. They have determined that an operating cash flow of \$18,200 will result in a zero net present value, which is a company requirement for project acceptance. The fixed costs are \$11,650 and the contribution margin is \$7.40. The company feels that they can realistically capture five percent of the 75,000 unit market for this product. Should the company develop the new product? Why or why not?

- (A) Yes; The project has an expected internal rate of return of 100 percent.
- (B) Yes; The expected level of sales exceeds the required number of units.
- (C) Yes; The project is expected to sell 324 units more than the required number of units.
- (D) No; The expected level of sales is less than the required level of 4,034 units.
- (E) No; The annual sales would need to exceed 4,521 units to be acceptable.

19. SHU Corporation is considering a project which will require additional inventory of \$134,000 and will also increase accounts payable by \$37,000 as suppliers are willing to finance part of these purchases. Accounts receivable are currently \$100,000 and are expected to increase by 8 percent if this project is accepted. What is the initial project cash flow related to net working capital?

- (A) \$105,000
- (B) \$97,000
- (C) \$89,000
- (D) \$8,560
- (E) \$94,720

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20. When a firm has weighted average flotation costs equal to 6 percent of the funding need, project analysts should:

- (A) increase the project's discount rate to offset these expenses by multiplying the firm's WACC by 1.06.
- (B) increase the project's discount rate to offset these expenses by dividing the firm's WACC by (1-0.06).
- (C) add 6 percent to the firm's WACC to get the discount rate for the project.
- (D) increase the initial project cost by multiplying that cost by 1.06.
- (E) increase the initial project cost by dividing that cost by (1-0.06).

二、論述題 (40%)

1. 請分析公司進行減資、發放現金股利與股票購回對股東的優缺點。(20%)
2. 「無負債」經營是臺灣很多公司的目標，甚至有上市公司連續 5 年的長期負債均為零，請以財務管理理論分析「無負債」公司的價值與資金成本。(10%)
3. 投資學理論強調利用證券投資組合來分散風險，同時我們也常看到公司出售轉投資，回歸本業，避免多角化經營，而且學術實證也支持公司多角化會減損公司價值。請論述其中是否有矛盾之處。(10%)