# G L Bajaj Institute of Management and Research.PGDM Institute <br> PGDM Batch- 2021 <br> Academic Session 2021-22 <br> Mid Term Quiz <br> Batch- 2021-23 

Subject Name- Corporate finance
Subject Code- PG27
Name of Student
Maximum Marks: 40
Marks Obtained

Note:

1. Writing anything except Roll Number on Quiz paper will be deemed as an act of indulging in unfair
2. There is no negative marking for wrong answer.
3. Tick mark the correct answer.

| Q1 | Future value interest factor takes | CO1 |
| :--- | :--- | :--- |
| A | Compounding Rate |  |
| B | Discounting Rate |  |
| C | Inflation Rate |  |
| D | Deflation Rate |  |
| Answer Key: A |  |  |

Q2 Financial security with low degree risk and investment held by businesses is classified as C01

A Treasury bills
B Commercial paper
C Negotiable certificate of deposit
D Money market mutual funds
Answer Key : D

| Q3 | A fixed rate of__is payable on debentures. | CO1 |
| :--- | :--- | ---: |
| A | Dividend |  |
| B | Commission |  |
| C | Interest |  |
| D | Brokerage |  |
| Answer Key: C |  |  |
| Q4 | Market value of the shares is decided by | C01 |
| A | The respective companies. |  |
| B | The investment market. |  |
| C | The government. |  |
| D | Shareholders. |  |

Answer Key : D

| Q5 | The company's cost of capital is called |
| :--- | :--- |
| A | Leverage rate |
| B | Hurdle rate. |
| C | Risk rate. |
| D | Return rate. |
| Answer Key: B |  |


| Q6 | Financial decisions involve | C01 |
| :--- | :--- | :--- |
| A | Investment, financing and dividend decisions. |  |


| B | Investment sales decisions. |
| :--- | :--- |
| C | Financing cash decisions. |
| D | Investment dividend decisions. |

Answer Key: A

| Q7 | Present value takes | C01 |
| :--- | :--- | :--- |
| A | Compounding rate |  |
| B | Discounting rate |  |
| C | Inflation rate. |  |
| D | Deflation rate |  |

Answer Key : B

| Q8 | The primary goal of the financial management is |
| :--- | :--- |
| A | to maximize the return |
| B | to minimize the risk. |
| C | to maximize the wealth of owners. |
| D | to maximize profit. |
| Answer Key: C |  |


| Q9 | At IRR : | CO2 |
| :--- | :--- | :--- |
| A | NPV is Positive |  |
| B | NPV is Negative. |  |
| C | NPV is Zero. |  |
| D | NPV is Constant. |  |
| Answer Key: C |  |  |


| Q10 | EFFECT is used to calculate: |
| :--- | :--- |
| A | Effective Rate of Interest Mathematically |
| B | Effective Rate of Interest through Excel |
| C | Effective Return Mathematically |
| D | Effective Return through Excel |

Answer Key: B

| Q11 | PMT is used to calculate: | CO2 |
| :--- | :--- | :--- |
| A | Annuity |  |
| B | Present Value |  |
| C | Future Value |  |
| D | Tenure |  |

Answer Key : A

| Q12 | FRN stands for | CO1 |
| :--- | :--- | :--- |
| A | Floating Rupee Notes |  |
| B | Floating Range Notes |  |
| C | Floating Rate Notes |  |
| D | Fixed Rate Notes |  |
| Answer Key: C |  |  |


| Q13 | What is ignored in principal of profit maximization |
| :--- | :--- |
| A | Time value of Money |
| B | risk |
| C | Wealth Creation |
| D | All the Above |
| Answer Key: D |  |


| A | Cost and expense |
| :--- | :--- |
| B | risk and return |
| C | Debit Credit |
| D | Receipt and payment |

Answer Key : B

| Q15 | Risk refers to | C01 |
| :--- | :--- | :--- |
| A | Variability of return |  |
| B | no return |  |
| C | loss |  |
| D | none of above |  |
| Answer |  |  |


| Q16 | maximization of shareholders wealth is reflected in |
| :--- | :--- |
| A | sales Maximization |
| B | profit maximization |
| C | Market price of equity shares |
| D | None of Above |
| Answer Key: C |  |


| Q17 | which one is not a long term financial decision |
| :--- | :--- |
| A | Investment Decision |
| B | Financiang decision |
| C | Dividend Decision |
| D | Working Capital Decision |
| Answer Key: D |  |


| Q18 | Focal point of financial management is |
| :--- | :--- |
| A | wealth maximization |
| B | increasing sales |
| C | increasing profits |
| D | all the above |

Answer Key: A

| Q19 | Dividend decision is related to |
| :--- | :--- |
| A | Right issue of shares |
| B | reinvestment decision |
| C | cash flow statement |
| D | none of above |
| Answer Key: B |  |


| Q20 | Which one is not a type of bond |
| :--- | :--- |
| A | masala bond |
| B | samuri bond |
| C | marvel bond |
| D | drop lock bond |

Answer Key: C

| Q20 | Market value of a firm is result of |
| :--- | :--- |
| A | Investment Decision |
| B | Financiang decision |
| C | Dividend Decision |
| D | all the above |
| Answer Key: D |  |

A student will be receiving scholarship for next five years. To calculate the worth of

A
B PVF
C CVFA
D PVFA
Answer Key: D

| Q22 | Concept of future value and present value is |
| :--- | :--- |
| A | directly proportionate |
| B | inversly proportionate |
| C | relatively proportionate |
| D | not related |

Answer Key : B

| Q23 | FV of annuity is | CO2 |
| :--- | :--- | :--- |
| A | equal to annuity |  |
| B | less than a annuity |  |
| C | more than the total annuity |  |
| D | none of above |  |
| Answer Key: C | CO3 |  |
| Q24 | in loan repayment amount, interest |  |
| A | keep decreasing |  |
| B | keep increasing | remain constant |
| C | can't say |  |
| D |  |  |
| Answer Key: A |  |  |

Q25 A the maturity of a commulative bond, investor receives
CO3
A Maturity Value
B interest
C both
D none
Answer Key: C

| Q26 | TVM concept is based on |
| :--- | :--- |
| A | time |
| B | risk |
| C | Compound interest |
| D | all of above |
| Answer Key: D |  |

Q27 equal cash flow for indefinite period is
CO3
A Annuity
B Annuity due
C perpetutity
D none of above
Answer Key: C

| Q28 | equal cash flow for definite period at the end of period is |
| :--- | :--- |
| A | Annuity |
| B | Annuity due |
| C | perpetutity |
| D | none of above |

## Answer Key : A

| Q29 | equal cash flow for definite period in the beginning of period is |
| :--- | :--- |
| A | Annuity |
| B | Annuity due |
| C | perpetutity |
| D | none of above |

Answer Key : B

| Q30 | PVF factor with respect to $\mathrm{n}=5$ and $\mathrm{r}=5$ is | CO3 |
| :--- | :--- | :--- |
| A | 0.784 |  |
| B | 4.452 |  |
| C | 1.276 |  |
| D | 5.526 |  |
| Answer Key: A |  |  |


| Q31 | CVFA with respect to $\mathrm{n}=4, \mathrm{r}=10$ is equal to |
| :--- | :--- |
| A | 1.464 |
| B | 4.641 |
| C | 0.683 |
| D | 3.17 |

Answer Key : B

| Q32 | in case of a growing annuity, growth rate is denoted with: | CO3 |
| :--- | :--- | :--- |
| A | r |  |
| B | i |  |
| C | g |  |
| D | k |  |

Answer Key: C

| Q33 | I wish to make SIP investments till 2025, this is an example of |
| :--- | :--- |
| A | Annuity |
| B | Annuity Due |
| C | perpetuity |
| D | can't say |

Answer Key : B

| Q34 | to calculate IRR through financial modelling |
| :--- | :--- |
| A | need to take range of cash inlow and outflow both |
| B | take cash inflow only |
| C | take cash outflow |
| D | cashflow not required |
| Answer Key: A |  |

Q35 to calculate IRR through financial modelling CO4
A need to take range of cash inlow and outflow both
B take cash inflow only
C take cash outflow
D cashflow not required
Answer Key: B

| Q36 | mathmetical expression of multiperiodcompounding is |
| :--- | :--- |
| A | $\mathrm{FV}=\mathrm{PV}\left(1+\mathrm{r}^{*} \mathrm{~m}\right)^{\wedge} \mathrm{n}^{*} \mathrm{~m}$ |
| B | $\mathrm{FV}=\mathrm{PV}(1+\mathrm{r} / \mathrm{m})^{\wedge} \mathrm{n} / \mathrm{m}$ |
| C | $\mathrm{FV}=\mathrm{PV}\left(1+\mathrm{r}^{*} \mathrm{~m}\right)^{\wedge} \mathrm{n} / \mathrm{m}$ |


| Q37 | Calculate Effective Interest Rate, if $12.25 \%$ annual Interest rate is compounded half yearly $\quad$ CO3 |
| :--- | :--- |
| A | $12.30 \%$ |
| B | $12.63 \%$ |
| C | $16.23 \%$ |
| D | $16.32 \%$ |

Answer Key : B
Q38 Findout value of 5000 for 10 years at $5 \%$ of interest CO3
A 8145
B 8451
C 8541
D 8154
Answer Key: A
Q39 Calculate number of years in which 100/- will become 200/-, if grow at 8\%
A 7 years
B 8 years
C 9 years
D 10 years
Answer Key: C
Q40 Cheapest source of capital is C01
A Debt
B Equity
C none of above
D all the above
Answer Key: A

