G L Bajaj Institute of Management and Research.PGDM Institute

PGDM Batch- 2021

Academic Session 2021-22

Mid Term Quiz Batch- 2021-23

Subject Name- Corporate finance

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

Answer Key: B

Financial decisions involve

Investment, financing and dividend decisions.

Q6

A

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. 01 Future value interest factor takes C01 Α **Compounding Rate** В **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 CO1 Α Treasury bills В Commercial paper С Negotiable certificate of deposit D Money market mutual funds Answer Key: D Q3 A fixed rate of _____is payable on debentures. CO1 Α Dividend В Commission C Interest D Brokerage Answer Key: C Market value of the shares is decided by C01 Q4 The respective companies. Α В The investment market. C The government. Shareholders. Answer Key: D Q5 The company's cost of capital is called CO1 Α Leverage rate В Hurdle rate. С Risk rate. D Return rate.

CO1

R	Investment sales decisions.	
C	Financing cash decisions.	
D	Investment dividend decisions.	
	Key: A	
Q7	Present value takes	C01
Α	Compounding rate	
В	Discounting rate	
C	Inflation rate.	
D	Deflation rate	
Answer		
00	The minimum alofabo Gunarial management is	601
Q8	The primary goal of the financial management is	CO1
A	to maximize the return	
В	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	002
В	NPV is Negative.	
С		
	NPV is Zero.	
D	NPV is Constant.	
Answer	Key: C	
Q10	EFFECT is used to calculate:	CO2
Α	Effective Rate of Interest Mathematically	
В	Effective Rate of Interest through Excel	
С	Effective Return Mathematically	
D	Effective Return through Excel	
Answer		
Allswei	Key . D	
Q11	PMT is used to calculate:	CO2
Α	Annuity	
В	Present Value	
C	Future Value	
D	Tenure	
Answer		
Ω12	FRN stands for	CO1
Q12 A		COI
	Floating Rupee Notes	
В	Floating Range Notes	
C	Floating Rate Notes	
D	Fixed Rate Notes	
Answer	Key: C	
Q13	What is ignored in principal of profit maximization	CO1
A	Time value of Money	
В	risk	
C	Wealth Creation	
D	All the Above	
Answer		
Q14	Two basic concepts of Financial Management are	CO1

A	Cost and expense	
В	risk and return	
C	Debit Credit	
D	Receipt and payment	
Answer Key	у: В	
Q15	Risk refers to	CO1
A	Variability of return	001
В	no return	
С	loss	
D	none of above	
Answer Key		
Q16	maximization of shareholders wealth is reflected in	CO1
A	sales Maximization	
В	profit maximization	
С	Market price of equity shares	
D	None of Above	
Answer Key	y : C	
Q17	which one is not a long term financial decision	CO1
A	Investment Decision	001
В	Financiang decision	
C	Dividend Decision	
D	Working Capital Decision	
Answer Key		
11110 11 01 110)		
Q18	Focal point of financial management is	CO1
A	wealth maximization	
В	increasing sales	
С	increasing profits	
D	all the above	
Answer Key	y : A	
010	Dividend designs is related to	CO1
Q19	Dividend decision is related to	CO1
A B	Right issue of shares	
	reinvestment decision	
C	cash flow statement	
D Amousean Mos	none of above	
Answer Key	у: Б	
Q20	Which one is not a type of bond	CO1
A	masala bond	
В	samuri bond	
C	marvel bond	
D	drop lock bond	
Answer Key		
-,		
Q20	Market value of a firm is result of	CO1
A	Investment Decision	
В	Financiang decision	
C	Dividend Decision	
D	all the above	
Answer Key	y : D	

Q21	A student will be receiving scholarship for next five years. To calculate the worth of		
	scholarship today, which concept I need to use		
A	CVF		
В	PVF	CO2	
C	CVFA		
D	PVFA		
Answer	r Key : D		
Q22	Concept of future value and present value is	CO2	
A	directly proportionate		
В	inversly proportionate		
С	relatively proportionate		
D	not related		
	r Key : B		
Q23	FV of annuity is	CO2	
		C02	
A	equal to annuity		
В	less than a annuity		
C	more than the total annuity		
D	none of above		
Answer	r Key : C		
Q24	in loan repayment amount, interest	CO3	
A	keep decreasing		
В	keep increasing		
C	remain constant		
D	can't say		
Answer	r Key : A		
Q25	A the maturity of a commulative bond, investor receives	CO3	
A	Maturity Value	000	
В	interest		
C	both		
D	none		
Answer	r Key : C		
Q26	TVM concept is based on	CO2	
A	time		
В	risk		
C	Compound interest		
D	all of above		
Answer	r Key : D		
Q27	equal cash flow for indefinite period is	CO3	
Ä	Annuity		
В	Annuity due		
C	perpetutity		
D	none of above		
	r Key : C		
11113WCl	ancy. C		
Q28	equal cash flow for definite period at the end of period is	CO2	
A	Annuity		
В	Annuity due		
C	perpetutity		
D	none of above		

Answer Key : A

Q29 A B C D	equal cash flow for definite period in the beginning of period is Annuity Annuity due perpetutity none of above	CO3		
Answer Ke	y : B			
Q30 A B	PVF factor with respect to n=5 and r=5 is 0.784 4.452	CO3		
C	1.276			
D	5.526			
Answer Ke				
Q31	CVFA with respect to n=4, r=10 is equal to	CO3		
A	1.464			
В	4.641			
C D	0.683 3.17			
Answer Ke				
Allswei Ke	у.в			
Q32	in case of a growing annuity, growth rate is denoted with:	CO3		
Å	r			
В	i			
С	g			
D	k			
Answer Ke	y : C			
022	The latter of the second of th	604		
Q33	I wish to make SIP investments till 2025, this is an example of	CO4		
A B	Annuity Annuity Due			
С	perpetuity			
D	can't say			
Answer Ke	·			
111101101	,			
Q34	to calculate IRR through financial modelling	CO4		
A	need to take range of cash inlow and outflow both			
В	take cash inflow only			
С	take cash outflow			
D	cashflow not required			
Answer Ke	y : A			
Q35	to calculate IRR through financial modelling	CO4		
A	need to take range of cash inlow and outflow both	COT		
В	take cash inflow only			
C	take cash outflow			
D	cashflow not required			
Answer Ke				
Q36	mathmetical expression of multiperiodcompounding is	CO2		
A	FV=PV(1+r*m)^n*m			
В	FV=PV(1+r/m)^n/m			
С	$FV=PV(1+r*m)^n/m$			

D Answer	FV=PV(1+r/m)^n*m Key: D		
Q37	Calculate Effective Interest Rate, if 12.25% annual Interest rate is compounded half yearly	CO3	
Α	12.30%		
В	12.63%		
С	16.23%		
D	16.32%		
Answer Key : B			
Q38	Findout value of 5000 for 10 years at 5% of interest	CO3	
Α	8145		
В	8451		
С	8541		
D	8154		
Answer Key : A			
Q39	Calculate number of years in which 100/- will become 200/-, if grow at 8%	CO3	
Α	7 years		
В	8 years		
C	9 years		
D	10 years		
Answer	Key: C		
Q40	Cheapest source of capital is	CO1	
Α	Debt		
В	Equity		
С	none of above		
D	all the above		
Answer Key : A			