GLOBAL COLLEGE INTERNATIONAL

PRE-BOARD EXAMINATION 2023

BACHELOR OF BUSINESS ADMINISTRATION (BBA)

SEMESTER – II

Name: ………………………………………………….…. Section: …………………..

Subject: Financial Management-I Course Code: MGT 423

Full Marks: 100 Time: 3 Hours

SECTION A: MULTIPLE CHOICE QUESTIONS (1 × 15 = 15 MARKS) / (TIME: 15 MINUTES)

*Tick the best answers.*

1. Liquidity ratios include…………...
   1. Current ratio and quick ratio c. Quick ratio and debt ratio
   2. Current ratio and asset turnover ratio d. None of the above
2. Receiving interest four time in a year refers to…….
   1. Semi-annual compounding c. Quarterly compounding
   2. Monthly compounding d. Weekly compounding
3. There is ……... relationship between present value and interest rate.
   1. Positive c. No
   2. Inverse d. None of the above
4. If total shareholders’ equity is Rs 5,000 and outstanding 400 then book value per share would be;
   1. Rs 2 million c. Rs 125
   2. Rs 25 d. Rs 12.5
5. In a firm, "Shareholder wealth" is represented by………………...
6. the number of people employed in the firm.
7. the book value of the firm's assets less the book value of its liabilities.
8. the amount of salary paid to its employees.
9. the market price per share of the firm's common stock.
10. Series of payment of fixed amount made at the end of year for specific number of periods is called……….
    1. Annuity due c. Ordinary annuity
    2. Perpetuity d. None of the above
11. A…………... would be an example of a principal, while a …………... would be an example of an agent.
12. Shareholder; manager
13. Manager; owner
14. Accountant; bondholder
15. Shareholder; bondholder
16. You invested Rs 5,000 toady for 3 years. If the interest rate suddenly increases, the future value of that investment to you would
17. fall.
18. rise.
19. remain unchanged.
20. cannot be determined without more information.
21. 1/(1 + i)n is same as………………
22. PVIF
23. FVIF
24. PVIFA
25. FVIFA
26. To find the present value of a sum of Rs. 10,000 to be received at the end of each year for the next 5 years at 10% rate, we use:
27. PVIF table
28. PVIFA table
29. FVIF table
30. FVIFA table
31. In a typical loan amortization schedule, the total rupee amount of money paid each period .
32. increases with each payment.
33. decreases with each payment.
34. remains constant with each payment.
35. None of the above.
36. Which of following is true for Credit terms of 2/10 net 30?
    1. You have to pay in 10 days from billing date before the amount is overdue
    2. You have to pay within 10th day from billing date to get 3 percent discount.
    3. You have to pay within 30 days from billing date to get 3 percent discount.
    4. None of the above
37. If the projects are independent, which of the following statement is correct?
    1. Select all the projects having positive NPV
    2. Select the project with highest positive NPV
    3. Select all the projects having IRR less than cost of capital
    4. Select the project having lowest IRR.
38. Goods-in-transit exists when………….
    1. Lead time is greater than the period of order (order frequency)
    2. Lead time is less than the period of order (order frequency)
    3. Lead time is equal to the period of the order (order frequency)
    4. None of the above
39. When the market's required rate of return for a particular bond is much less than its coupon rate, the bond is selling at:
40. a premium.
41. a discount.
42. cannot be determined without more information.
43. face value.

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