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Spardhaguru Current affairs



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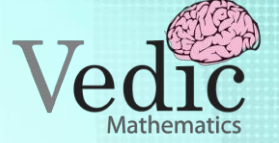
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1) Financial Management is mainly concerned with _____.

- A) arrangement of funds
- B) all aspects of acquiring and utilizing financial resources for firms activities
- C) efficient Management of every business.
- D) profit maximization

2) In his traditional role the finance manager is responsible for _____.

- A) arrange of utilization of funds.
- B) arrangement of financial resources.
- C) acquiring capital assets of the organization.
- D) effective management of capital.

3) 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..

4) Capital budgeting is related to _____.

- A) long terms assets.
- B) short term assets.
- C) long terms and short terms assets.
- D) fixed assets.

5) A way to analyze whether debt or lease financing would be preferable is to:

- A) compare the net present values under each alternative, using the cost of capital as the discount rate.
- B) compare the net present values under each alternative, using the after-tax cost of borrowing as the discount rate.
- C) compare the payback periods for each alternative.
- D) compare the effective interest costs involved for each alternative

6) The type of lease that includes a third party, a lender, is called a(n)

- A) sale and leaseback.
- B) direct leasing arrangement.
- C) leveraged lease.
- D) operating lease.

7) Future value interest factor takes _____.

- A) Compounding rate
- B) Discounting rate.
- C) Inflation rate.
- D) Deflation rate.

8) Present value takes _____.

- A) Compounding rate.
- B) Discounting rate.
- C) Inflation rate.
- D) Deflation rate.

9) Financial decisions involve _____.

- A) Investment, financing and dividend decisions.
- B) Investment sales decisions.
- C) Financing cash decisions.
- D) Investment dividend decisions.

10) Traditional approach confines finance function only to _____.

- A) raising
- B) mobilizing
- C) utilizing
- D) financing

11) The company's cost of capital is called _____.

- A) Leverage rate
- B) Hurdle rate.
- C) Risk rate.
- D) Return rate.

12) Market value of the shares are decided by _____.

- A) the respective companies.
- B) the investment market.
- C) the government.
- D) shareholders.





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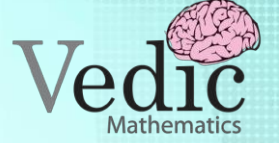
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13) Cost of retained earnings is equal to _____.

- A) Cost of equity.
- B) Cost of debt.
- C) Cost of term loans.
- D) Cost of bank loan.

14) Beta measures the _____.

- A) Financial risk.
- B) Investment risk rate.
- C) Market risk.
- D) Market and finance risk.

15) The expansion of CAPM is _____.

- A) Capital amount pricing model.
- B) Capital asset pricing model.
- C) Capital asset printing model.
- D) a. Capital amount printing model.

16) Medium-term notes (MTNs) have maturities that range up to _____.

- A) one year (but no more)
- B) two years (but no more).
- C) ten years (but no more).
- D) thirty years (or more)

17) Which one of the following is the main objective of Unit Trust of India?

- A) To mobilize the savings of high-income groups.
- B) To mobilize the savings to low and high-income groups.
- C) To mobilize the savings of corporate.
- D) To mobilize the savings of low and middle-income groups.

18) The first development financial institution in India that has got merged with a bank

- A) IDBI
- B) ICICI
- C) UTI
- D) SFC

19) The most difficult to calculate is _____.

- A) the cost of equity capital.
- B) the cost of preferred capital.
- C) the cost of retained earnings.
- D) the cost of equity and preference capital.

20) The required rate of return for an investment project should _____.

- A) leave the market price of the stock unchanged
- B) increase the market price.
- C) reduce the market price.
- D) constant market price.

21) ICICI was formed in _____:

- A) 1955
- B) 1665
- C) 1965
- D) 1954

22) The principal objective to form ICICI was:

- A) To create a development financial institution
- B) To create a financial institution for providing medium-term and long term project financing
- C) Create a financial institution for providing medium-term and long term project financing to Indian businesses
- D) All of The Above

23) Headquarter of ICICI Bank is located at:

- A) Mumbai
- B) Hyderabad
- C) Mysore
- D) Bangalore

24) Fixed cost per unit _____.

- A) changes according to the volume of production
- B) be flexible according to the rate of interest.
- C) does not change with the volume of production.
- D) remains constant.

25) The principal objective was to create a development financial institution for providing _____ project financing to Indian businesses:





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- A) Medium Term
- B) Long Term
- C) Medium Term and Long Term
- D) short term

26) Variable cost per unit _____.

- A) varies with the level of output.
- B) remains constant irrespective of the level of output.
- C) changes with the growth of the firm.
- D) does not change with the volume of production

27) Financial leverage measures _____.

- A) sensitivity of EBIT with respect of 1% change with respect to output
- B) 1% variation in the level of production
- C) sensitivity of EPS with respect to 1% change in level of EBIT.
- D) no change with EBIT and EPS.

28) Operating leverage measures _____.

- A) the business risk.
- B) financial risk.
- C) both risks.
- D) production risk.

29) Financial leverage helps one to estimate _____.

- A) the business risk
- B) the financial risk.
- C) both risks
- D) production risk.

30) Financial leverage is also known as _____.

- A) Trading on equity
- B) Trading on debt.
- C) Interest on equity.
- D) Interest on debt.

31) Industrial Development Bank of India is

- A) Wholly-owned Government of India undertaking
- B) Wholly-owned subsidiary of Reserve Bank of India

- C) A corporation and owned by the Government of India and public sector banks.
- D) Public Limited Company

32) Operating leverage x financial leverage= ____.

- A) composite leverage.
- B) financial composite leverage.
- C) operating composite leverage.
- D) fixed leverage

33) Operating leverage = ____.

- A) contribution less profit.
- B) contribution less sales.
- C) contribution less total expenses
- D) contribution less operating profit.

34) The IDBI was established in

- A) 1964
- B) 1965
- C) 1966
- D) 1967

35) The financial institute IFCI established in

- A) 1947
- B) 1948
- C) 1949
- D) 1950

36) In his traditional role the finance manager is responsible for _____.

- A) proper utilisation of funds
- B) arrangement of financial resources
- C) acquiring capital assets of the organization
- D) Efficient management of capital

37) Shares having no face value are known as ____.

- A) no-par stock.
- B) at par stock.
- C) equal stock.
- D) debt-equity stock.

38) A fixed rate of _____ is payable on debentures.





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- A) dividend
- B) commission
- C) interest
- D) brokerage

39) Effective cost of debentures is _____ as compared to shares

- A) higher
- B) lower
- C) equal
- D) medium

40) Ownership securities are represented by _____.

- A) securities.
- B) equities
- C) debt
- D) debentures.

41) Corporation is not a part of _____ finance .

- A) Public.
- B) Private.
- C) Public & private
- D) Organization.

42) _____ management is the important task of the finance manager.

- A) Debt
- B) Equity.
- C) Profit
- D) Cash.

43) Finance function is one of the most important functions of _____.

- A) business.
- B) marketing.
- C) financial.
- D) debt.

44) Which one of the following is not a money market securities?

- A) treasury bills
- B) National savings certificate

- C) Certificate of deposit
- D) Commercial paper

45) The expansion of EAR is ____.

- A) equivalent annual rate.
- B) equivalent annuity rate
- C) equally applied rate.
- D) equal advance rate

46) Working capital management is managing _____.

- A) short term assets and liabilities
- B) long term assets
- C) long terms liabilities
- D) only short term assets

47) Future value interest factor takes _____.

- A) Compounding rate
- B) Discounting rate
- C) Inflation rate
- D) Deflation rate

48) Financial security with low degree risk and investment held by businesses is classified as

- A) treasury bills
- B) commercial paper
- C) negotiable certificate of deposit
- D) money market mutual funds

49) Future value interest factor takes _____.

- A) Compounding rate
- B) Discounting rate
- C) Inflation rate
- D) Deflation rate

50) _____ are financial assets.

- A) Bonds
- B) Machines
- C) Stocks
- D) A and C

