**Sub: Stretegic Financial Managment (semVI) Class : TYBMS Paper: Model Questions Finance**

1. Investment can be defined.
2. Person’s dedication to purchasing a house or flat
3. Use of capital on assets to receive returns
4. Usage of money on a production process of products and services
5. Net additions made to the nation’s capital stocks
6. The concept of financial management is.
7. Profit maximization
8. All features of obtaining and using financial resources for company operations
9. Organization of funds
10. Effective Management of every company
11. What is the primary goal of financial management?
12. To minimize the risk
13. To maximize the return
14. To maximize the owner’s wealth
15. To raise profit
16. GST is a consumption of goods and service tax based on.
17. Development
18. Dividend
19. Destiny
20. Duration
21. The finance manager is accountable for.
22. Earning capital assets of the company
23. Effective management of a fund
24. Arrangement of financial resources
25. Proper utilization of funds
26. The market value of a share is responsible for.
27. The investment market
28. The government
29. Shareholders
30. The respective companies
31. The capital budget is associated with.
32. Long terms and short terms assets
33. Fixed assets
34. Long terms assets
35. Short term assets
36. CAPM stands for.
37. Capital asset pricing model.
38. Capital amount printing model.
39. Capital amount pricing model.
40. Capital asset printing model.
41. What does financial leverage measure?
42. No change with EBIT and EPS
43. The sensibility of EBIT with % change with respect to output
44. The sensibility of EPS with % change in the EBIT level
45. % variation in the level of production
46. From the below-mentioned items which are financial assets?
47. Machines
48. Bonds
49. Stocks
50. B and C

11 is the planning process used to determine Investments

1. Capital rationing
2. Capital budgeting
3. Cash inflow
4. dividend decision

12.A company may not have sufficient funds to issue dividends in the near future, so instead it issues a dividend.

1. Cash dividend
2. Stock dividend
3. Property dividend
4. Scrip dividend
5. Relevance Theory of Dividend is supported……..
6. Walter
7. MM
8. Gordon
9. Pecker
10. Merger between firms engaged in unrelated types of business activities…….
11. Horizontal
12. Vertical
13. Conglomerate
14. None
15. The committee appointed by SEBI on Corporate Governance was chaired by……….
16. Kumar mangalam Birla
17. Ratan Tata
18. R.K.Joshi
19. Mukesh Abani
20. The NPA is… loss of the Asset of the Banking sector.

A) 85%

B) 90%

C) 100%

D) 90%

1. Walter's Model suggests that a firm can always increase the value of
2. increasing dividend
3. decreasing dividend
4. constant dividend
5. none of the above

18 'argument is given by Gordon Model.

1. Equity Valuation
2. Bird in hand

(C) Irrelevant Theory

(d) Residual's Theory

1. Dividend irrelevance argument of MM Model is based on
2. Issue of Debentures
3. Arbitrage
4. Issue of Bonus Share
5. Hedging
6. Project costing 8,00,000 and a life of 5 years is expected to bring cash inflows of p.a. What is the payback period?
7. 5 years
8. 3 years
9. 4 years
10. 10 years
11. Which of the following assumes that cash flows from a project are uniform throughout the project?
12. Internal Rate of Return
13. Net Present Value
14. Profitability Index
15. Pay Back Period
16. Which of the following represents passive dividend policy?
17. That dividend is paid as a % of EPS
18. That dividend is paid as a constant amount
19. That dividend is paid after retaining profits for reinvestment
20. That dividend is paid of Super profit
21. In case of Gordon's Model, the MP for zero payout is zero. It means that
22. shares are not traded
23. shares available free of cost
24. investors are not ready to offer any price
25. investor get discount
26. Gordon's Model of dividend relevance is same as
27. No-growth Model of equity valuation
28. Constant growth model of equity valuation
29. Price-earnings ratio
30. Inverse of price

25 Module is the Irrelevance theory of Dividend Decision Making in the firm.

1. MM theory.
2. Bird in hand

(C) Irrelevant Theory

(d) Residual Theory

26. ………….rate is the rate at which the RBI lends short-term money to the banks against securities.

a) Repo

b) Reverse repo rate

c) Market rate

d) Bank rate

27. …………function includes a firm’s attempts to balance cash inflows and outflows.

a) Finance

b) Investment

c) Liquidity

d) Dividend

28. ………………. is the custodian of monetary reserves in India.

a) SBI

b) RBI

c) ICICI

d) HDFC

29. SEBI is a market of ……………………..

a) Capital

b) Investment

c) Liquidity

d) Dividend

30. What are people who buy or sell in the market to make profits called……...

a)   Hedgers

b) Arbitrageurs

c) Speculators

d) Dealer

31.The most important ratio in case of granting of term loans is EPS

(a) P/E.

(Ъ) Current Ratio.

(c) DSCR

(d) Debentures

32.A type of preference shares which can be converted into Equity Shares.

(a) Participating Preference Shares.

(b) Cumulative Preference Shares.

(c) Secured Preference Shares.

(d) Convertible Preference Shares

33.Which of the following is a tax-deductible expenditure?

(a) Interest on Debt.

(b) Preference Dividend.

(c) Equity Dividend.

(d) Reserve.

34.Dividend declared between two Annual General Meetings (AGM's) is termed

(a) Stock Dividend

(b) Cash Dividend.

(c) Interim Dividend.

(d) Liquidation Dividend.

35.Capitalization of reserves is also termed as:

(a) Bonus Issue.

(b)Stock Dividend.

(c) Both (a) and (b).

(d) Equity

36. Decision involving purchase of fixed assets are also termed as:

(a) Capital Structure Decisions

(b)Capital Budgeting

(c) Capital Restructuring

(d) Capital Mix Decisions

37.Which of the following is an item of Current Assets?

(a) Bank Overdraft

(b) Receivables

(c) Outstanding Expenses.

(d) Short Term Loan taken

38.A Balance Sheet tallies; because:.....................

(a)It is based on Double Entry System of Accounting

(b) It is based on Single Entry System of Accounting.

(c) All accounts are Computerized.

d) Total of Assets equals to the total of Liabilities.

39.An Inventories are also termed as

(a) Stock

(b) Fixed Assets.

(c) Current Assets.

(d) Shares

.40.Which of the following is a security on a moveable property?

(a) Pledge.

(b) Mortgage.

(c) Hypothecation.

(d) Lien.

41.In which of the following case; the ownership of the goods passes on making the down payment from the seller to the buyer?

1. Lease agreement.
2. Hire purchase agreement
3. live and license agreement
4. Installment sysytem

42. Which of the following factors influences the need Working Capital of a Firm?

(a))Type of Technology used.

(b) Inflation

(c) Nature of the Business.

(d) Investment decision

43.Uultimate objective of Financial Management is:

(a) Wealth Maximization.

(b) Profit Maximization,

(c)Survival.

(d)Increasing Market Share.

44.Time Value of Money is based on the principle of:..................

(a) A stich in time, saves nine.

(b) A bird in hand, is worth two in a

(c) As you sow, so shall you reap.

(d) Hard Work pays in the long run.

45.Mutual Funds Works on the principle ......................

(a) Don't put all the eggs in the same.

(b) Diversification reduces risks.

(c) Small drops can make an ocean.

(d) All of the above.

46.Present Value of a Rupee is always:..........

(a) Equal to its Future Value

(b) Greater than its Future Value.

(c) Less than its Future value.

(d) Is not related to its Future Value.

47.................is a regulatory authority over the entire Capital Market:

(a) RBI.

(b)SEBI

(c) Stock Exchanges.

(d) IRDA

48. Merchant banker is.....................................

(a) a bank of merchants and businessmen merchants,

(b) provides loan to merchants

(c) accepts deposits from merchants

(d) Renders, Corporate advisory services.

49.Dividend Payout ratio is ..............

(a) DPS divided by MPS.

(b)DPS divided by EPS

(c) DPS divided by Face Value

(d) EPS divided by DPS

50.The cost of capital is the highest.

(a) Equity

(b) Preference.

(c) Debt.

(d) International