Finance Quiz (06/06/2021)

Multiple Choice Questions

*Required

1. Email *

2. Name of the Participant *

3. College/Institution *

4. State *

5. Mobile Number *

6. Designation *

Mark only one oval.

- Research Scholar
- Faculty
- Student
- Others

7. 1. How much fund is needed by the organisation at different points of its functioning, is related to which aspect of Financial Management? * 1 point

Mark only one oval.

- Financial Resources
- Financial Needs
- Allocation of Funds
- Financial Structure

8. 2. Financial Management deals with risk and uncertainty factors, which are directly hit by? * 1 point

Mark only one oval.

- Risk only
- Profitability only
- Risk & Profitability
- Uncertainty only

9. 3. This objective represents both return and risk * 1 point

Mark only one oval.

- Profit maximisation
- Wealth maximisation
- Both A & B
- None

10. 4. Which of the following risk is common to all stocks in stock market * 1 point

Mark only one oval.

- Market Risk
- Interest Rate Risk
- Economic Risk
- Systematic Risk

11. 5. According to which approach, Kd remains constant at various levels of debt-equity mix? * 1 point

Mark only one oval.

- M-M Approach
- Net Income Approach
- Net Operating Income Approach
- both A & C

12. 6. This approach is based on the thinking that what the investor expect when they put their savings in the company. * 1 point

Mark only one oval.

- Growth Approach
- Price Approach
- Realised Yield Approach
- M-M Approach

13. 7. It helps us to calculate expected rate of return from securities of equivalent risk. * 1 point

Mark only one oval.

- Cost of Equity
- Capital Asset Pricing Model (CAPM)
- Weighted Average Cost of Capital (WACC)
- Dividend Policy

14. 8. According to Walter, a firm should pay 100% dividend, if * 1 point

Mark only one oval.

- r > k
- r < k
- r = k
- None

15. 9. According to which of the following, the firm's market value is not affected by capital structure * 1 point

Mark only one oval.

- Traditional view
- Net Operating Income Approach
- Net Income Approach
- M-M Hypothesis

16. 10. It is the risk associated with normal day to day operations of the firm. * 1 point

Mark only one oval.

- Credit Risk
- Financial Risk
- Business Risk
- Market Risk

17. 11. An increase in EBIT will lead to a higher percentage increase in EPS, is measured by * 1 point

Mark only one oval.

- Combined Leverage
- Financial Leverage
- Operating Leverage
- P/E Ratio

18. 12. _____of an investment is the rate of compounding, which if applied to the initial outlay produces the terminal value of project returns. * 1 point

Mark only one oval.

- Internal Rate of Return (IRR)
- Modified IRR (MIRR)
- Discounted Pay Back Period
- Accounting Rate of Return

19. 13. This appraisal is done when the proposed project is a Government sponsored one. * 1 point

Mark only one oval.

- Financial Appraisal
- Technical Appraisal
- Market Appraisal
- Economic Appraisal

20. 14. It occurs any time, when there is a budget ceiling on the amount of funds that can be invested during a specific period, say as a year. * 1 point

Mark only one oval.

- Social Cost Benefit Analysis
- Working Capital Requirement
- Capital Rationing
- Sensitivity Analysis

21. 15. MPBF stands for * 1 point

Mark only one oval.

- Maximum Permissible Bank Fund
- Maximum Provision for Bank Finance
- Marginal Permissible Bank Finance
- Maximum Permissible Bank Finance

22. 16. If NPV is positive, the IRR will be * 1 point

Mark only one oval.

- Positive
- Negative
- k=r
- k < r

23. 17. "Hard core working capital" is also known as * 1 point

Mark only one oval.

- Net Working Capital
- Gross Working Capital
- Variable Working Capital
- Permanent Working Capital

24. 18. Arrange the following steps of capital budgeting process in a correct order 1. Project Generation 2. Project Execution 3. Project Evaluation & 4. Project Selection * 1 point

Mark only one oval.

- 3,1,4,2
- 1,3,4,2
- 1,2,3,4
- 2,3,1,4

25. 19. XYZ Ltd has declared 40% dividend. Which one of the following does it mean? * 1 point

Mark only one oval.

- The company has declared 40% of net profit as dividend
- The company has declared 40% of its profits after tax, as dividend
- The company will provide dividend 40% on issued-capital
- The company will provide 40% on paid-up capital

26. 20. National Commodity and Derivatives Exchange has been set up in India in the year * 1 point

Mark only one oval.

- 2005
- 2003
- 2000
- 2010

27. 21. Loans, Lease and Derivatives are examples of * 1 point

Mark only one oval.

- Real Assets
- Commodity Assets
- Paper Securities
- NPAs

28. 22. It is the mechanism of minimizing risk through hedging and taking advantage of price differences in different markets. * 1 point

Mark only one oval.

- Investment
- Arbitrage
- Speculation
- Gambling

29. 23. Under rigid dividend policy, the rate of dividends is * 1 point

Mark only one oval.

- -1
- 1
- 2
- 0

30. 24. Which of the following is/are responsible for over capitalisation? * 1 point

Mark only one oval.

- High promotion expenses
- Liberal dividend policy
- Both a & b
- None

31. 25. M-M Approach's dividend policy of a firm is * 1 point

Mark only one oval.

- Relevant
- Irrelevant
- Unrealistic
- None

32. 26. Absence of Default Risk , Interest Risk , full payment of principal and interest amount, are the features of * 1 point

Mark only one oval.

- Real Assets
- Financial Assets
- Risk-Free Assets
- Mortgage Assets

33. 27. The market value of the scrip is determined by the interaction of supply and demand, is an assumption of * 1 point

Mark only one oval.

- Fundamental Analysis
- Technical Analysis
- Both A & B
- None

34. 28. National Stock Exchange was incorporated in 1992 under the recommendations of * 1 point

Mark only one oval.

- Narsimham Committee
- Pherwani Commmittee
- Kelkar Committee
- AK Buchar Committee

35. 29. NEAT stands for * 1 point

Mark only one oval.

- National Exchange for Automated Trading
- National Exchange for Automated Training
- National Exchange for Autonomous Training
- National Establishment for Automated Trading

36. 30. The capital market is considered to be efficient in how many forms? * 1 point

Mark only one oval.

- 2
- 3
- 4
- 1

37. 31. The process of attaching a currency of member country with that of the foreign country with which it undertakes large volume of trade is called as------ * 1 point

Mark only one oval.

- Pegging
- Julking
- Attaching
- None

38. 32. Form of interest rate swap where a fixed rate is exchanged for a floating rate or vice versa on a given notional principal at pre-agreed intervals during the life of the contract is * 1 point

Mark only one oval.

- Basis swap
- Step-up swap
- Extendable swap
- A Plain Vanilla swap

39. 33. There is an inverse relationship between the price of the bond and * 1 point

Mark only one oval.

- Coupon rate
- Maturity period
- Yield
- All

40. 34. Name the type of tool/s which is/are required for Financial engineering * 1 point

Mark only one oval.

- Conceptual tools
- Physical tools
- Analytical tools
- Both a & b

41. 35. This is the risk that entire lines of business may succumb to competition or obsolescence. * 1 point

Mark only one oval.

- Regulatory risk
- Operating risk
- Strategic risk
- Commodity risk

42. 36. The day on which a deal is struck in the foreign exchange market is called as * 1 point

Mark only one oval.

- Trade date
- Value date
- Contract date
- None of the above

43. 37. The purchasing power parity theory applies to * 1 point

Mark only one oval.

- Intangible assets
- Investments
- Commodities
- Interest rates

44. 38. Risk management is particularly necessary to a business which has * 1 point

Mark only one oval.

- Number of branches at different sites
- A business dealing in international trade
- A business with number of processes and product lines
- All the above

45. 39. Transaction exposure arises from which of the following * 1 point

Mark only one oval.

- Fixed assets
- Credit sales
- Future cash flows
- Long term liabilities

46. 40. The primary feature of which card is, security? * 1 point

Mark only one oval.

- Credit card
- Business card
- Smart card
- Debit card

47. 41. The treasury bills sold directly to RBI for its keep by the government are * 1 point

Mark only one oval.

- Regular treasury bills
- Adhoc treasury bills
- Ordinary treasury bills
- Government treasury bills

48. 42. Inflation, Interest rates, GDP, Tax structure, Foreign direct investment etc. are the --------factors for analyzing the security's value. * 1 point

Mark only one oval.

- Macro-economic
- Qualitative
- Quantitative
- Micro-economic

49. 43. Which approach of risk management follows 'Do not put all eggs in one basket' policy? * 1 point

Mark only one oval.

- Loss control
- Risk avoidance
- Risk sharing
- Diversification

50. 44. Jensen's measure of portfolio performance is based on * 1 point

Mark only one oval.

- Expected return
- Actual return
- Excess return
- Differential return

51. 45. In case of merger/takeover, a merchant banker appraises the proposal with respect to * 1 point

Mark only one oval.

- Financial viability
- Technical feasibility
- Both a & b
- None of the above

52. 46. In the given statements, which one is false? * 1 point

Mark only one oval.

- Small amount is needed to invest in mutual funds
- Higher NAV is better
- Big amount is needed to invest in mutual funds
- Demat account is compulsory to invest in mutual funds

53. 47. Lease is a mode of * 1 point

Mark only one oval.

- Financing
- Hiring
- Rentals
- Finance and hiring

54. 48. The basic objective of investment by a venture capitalist is * 1 point

Mark only one oval.

- Holding share in a company
- Participation in management of company
- Capital appreciation at the time of disinvestment
- Profit

55. 49. Long a call and long a put with the same exercise prices is called as * 1 point

Mark only one oval.

- Long straddle
- Short straddle
- Long strangle
- Short strangle

56. 50. _____ is the original amount that must be deposited into account to establish futures position. * 1 point

Mark only one oval.

- Initial margin
- Variation margin
- Daily margin
- Mark to market margin

57. 51. Under which type of swap, a reference rate generally LIBOR is used * 1 point

Mark only one oval.

- Currency swap
- Interest rate swaps
- Basis swap
- Equity swap

58. 52. Netting, leading and lagging, invoicing are the internal techniques of managing * 1 point

Mark only one oval.

- Exchange rate risk
- Interest rate risk
- Liquidity risk
- Credit risk

59. 53. A financially engineered product which comprises of characteristics and benefits of the direct stock market investments. * 1 point

Mark only one oval.

- Insurance
- Equity & debt products
- Derivatives
- Mutual Fund

60. 54. Under hire purchase system, purchaser becomes owner of goods on payment of * 1 point

Mark only one oval.

- Down payment
- Last instalment
- First instalment
- Cash price+ interest

61. 55. The option which can be exercised only at the end of the life * 1 point

Mark only one oval.

- Call option
- Put option
- European option
- American option

62. 56. Brainstorming, Delphi technique, Interviewing and SWOT analysis are the information gathering techniques for * 1 point

Mark only one oval.

- Risk identification
- Risk assessment
- Risk treatment
- Both a & b

63. 57. Risk associated with the capital structure of the company is * 1 point

Mark only one oval.

- Credit risk
- Liquidity risk
- Market risk
- Financial risk

64. 58. Commercial paper is a type of * 1 point

Mark only one oval.

- Fixed coupon bond
- Unsecured short term debt
- Government bond
- Unsecured long term debt

65. 59. _____ is the method of financing, whereby a company sells its trade debts at a discount to a financial institution * 1 point

Mark only one oval.

- Factoring
- Invoice discounting
- Bills discounting
- Letter of credit

66. 60. ZIFCD full form is * 1 point

Mark only one oval.

- Zero Investment Fully Convertible Debenture
- Zero Interest Firstly Convertible Debenture
- Zero Interest Fully Convertible Dividend
- Zero Interest Fully Convertible Debenture

This content is neither created nor endorsed by Google.

Google Forms