

國立高雄第一科技大學 97 學年度 碩士班 招生考試 試題紙

系所別：財務管理系

組別：不分組

考科代碼：4302

考科：財務管理

注意事項：

- 1、本科目可使用本校提供之電子計算器。
- 2、請於答案卷上規定之範圍作答，違者該題不予計分。

1. The common stock of XYZ Inc. sells for \$25 a share. The stock just paid the dividend \$2 per share. XYZ has established a pattern of increasing its dividends by 4% annually and expects to continue doing so. What is the market rate of return on this stock? (10 Points).

2. You would like to invest in the following project. Assume the required rate is 8%.

Year	Cash Flow
0	-\$38,500
1	\$20,000
2	\$24,000

- (a) What is the project's net present value? Should it be accepted? (15 Points)
 - (b) What is the project's discounted payback period? (10 Points)
3. You are analyzing two machines to determine which one you should purchase. You require a 14% rate of return and uses straight-line depreciation to a zero book value. Machine A has a cost of \$300,000, annual operating costs of \$8,000, and a 3-year life. Machine B costs \$200,000, has annual operating costs of \$12,000, and has a 2-year life. Whichever machine is purchased will be replaced at the end of its useful life. Please calculate the equivalent annual cost for both Machine A and Machine B. Which machine should you purchase? (25 Points)
 4. The expected return on XYZ stock is 14.69% while the expected return on the market is 12.5%. The beta of XYZ is 1.3. What is the risk-free rate of return? (10 Points)

5. The XYZ Co. has expected earnings before interest and taxes of \$8,000, an unlevered cost of capital of 12%, and debt with both a book and face value of \$15,000. The debt has an annual 8% coupon. The tax rate is 34%.
- (a) What is the value of the firm? (10 Points)
 - (b) What is the required return on equity? (10 Points)
 - (c) What is the weighted average cost of capital? (10 Points)