

考 試 科 目	財務管理 4/2/3	所 別	金融學系/金融管理組	考 試 時 間	2 月 28 日(六) 第二節
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Please answer the following questions in orders. 10 points each question.

1. Explain the difference between systematic and unsystematic risk. Also explain why one of these types of risks is rewarded with a risk premium while the other type is not.
2. Suppose your boss comes to you and asks you to re-evaluate a capital budgeting project. The first evaluation was in error, he explains, because it ignored flotation costs. To correct for this, he asks you to evaluate the project using a higher cost of capital which incorporates these costs. Is your boss' approach correct? Why or why not?
3. Jason is the founder of Company ABC. Recently, the firm decided to issue an IPO with Jason retaining 30 percent ownership of the firm. The IPO agreement contained both a Green Shoe provision and a 6-month lockup agreement. Jason's cost basis per share is \$15. The offering price for the IPO was \$16. On the first day of trading, the market price per share rose to \$28.20 and closed for the day at \$25.60. Now, six months after the IPO release, the stock is valued at \$15.40 a share. Explain who benefited the most during the lockup period, an outside investor or Jason, and why.
4. Explain how a firm loses value during the bankruptcy process from both a creditors and a shareholders perspective.
5. Explain how cash dividends affect individual shareholders differently than an equal amount of funds spent on a repurchase.
6. Explain the conditions that would need to exist for the Treasury yield curve to be downward sloping.
7. Explain why small shareholders should prefer cumulative voting over straight voting.
8. How does the net present value (NPV) decision rule relate to the primary goal of financial management, which is creating wealth for shareholders?
9. Steven earned an average return of 18.6 percent on his investments over the past 20 years while the S&P 500, a measure of the overall market, only returned an average of 15.9 percent. Explain how this can occur if the stock market is efficient.
10. Firms can frequently create synergy by merging and sharing complementary resources with another firm. Give two examples of situations where this would most likely occur.

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- 一、作答於試題上者，不予計分。
- 二、試題請隨卷繳交。