

科目：財務管理 適用：財金系

編號：352

考生注意：

1. 依次序作答，只要標明題號，不必抄題。
2. 答案必須寫在答案卷上，否則不予計分。
3. 限用藍、黑色筆作答；試題須隨卷繳回。

本試題
共 9 頁
第 1 頁

I. Choices (80 points, 2 points for each question)

1. () According to the balance sheet model of the firm, corporate finance may be thought of as the analysis of three primary subject areas. Which of the following correctly lists these areas?
 - (A) Capital structure, capital budgeting, security analysis
 - (B) Capital budgeting, capital structure, capital spending
 - (C) Capital budgeting, capital structure, net working capital
 - (D) Capital structure, net working capital, capital rationing
 - (E) Capital budgeting, capital spending, net working capital
2. () Which of the following statements regarding bond pricing is true?
 - (A) The lower the discount rate, the more valuable the coupon payments are today.
 - (B) Bonds with high coupon payments are generally (all else the same) more sensitive to changes in interest rates than bonds with lower coupon payments.
 - (C) When market interest rates rise, bond prices will also rise, all else the same.
 - (D) Bonds with short maturities are generally (all else the same) more sensitive to changes in interest rates than bonds with longer maturities.
 - (E) All else the same, bonds with larger coupon payments will have a lower price today.
3. () If you are hired as the new CEO of a corporation after graduation, which of the following would you consider to be your most important criterion for success?
 - (A) Pursue activities that reduce the overall riskiness of the firm.
 - (B) Pursue activities that result in the largest profits for the year.
 - (C) Pursue activities that maximize her personal wealth.
 - (D) Pursue activities that maximize the current stock price.
 - (E) Pursue activities that lead to the most stable stock price for the year.

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本試題

共 9 頁

第 2 頁

4. () A financial manager who needs to find out how long it will take before their firm runs out of cash if no further cash comes in should consider the _____.
- (A) current ratio (B) quick ratio (C) cash ratio
(D) net working capital to total assets ratio (E) interval measure
5. () You are evaluating two annuities. They are identical in every way, except that one is an ordinary annuity and one is an annuity due. Which of the following is false?
- (A) The ordinary annuity must have a lower present value than the annuity due.
(B) The ordinary annuity must have a lower future value than the annuity due.
(C) The annuity due must have the same present value as the ordinary annuity.
(D) The two annuities will differ in present value by the amount $(1+r)$.
(E) The annuity due and the ordinary annuity will make the same number of total payments over time.
6. () Which bond would most likely possess the least degree of interest rate risk?
- (A) 8% coupon rate, 10 years to maturity (B) 10% coupon rate, 10 years to maturity
(C) 12% coupon rate, 10 years to maturity (D) 8% coupon rate, 20 years to maturity
(E) 12% coupon rate, 20 years to maturity
7. () With regard to the dividends paid by a corporation, which of the following is false?
- (A) The dividends are considered a cash inflow by the shareholders.
(B) Dividends paid reduce retained earnings on a dollar for dollar basis.
(C) Dividends are a non-cash expense of the firm.
(D) Dividends paid represent a use of cash by the firm.
8. () The cash flow tax savings generated as a result of a firm's tax-deductible depreciation expense is called (the) _____.
- (A) aftertax depreciation savings (B) depreciable basis (C) depreciation tax shield
(D) operating cash flow (E) aftertax salvage value

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本試題

共 9 頁

第 3 頁

9. () If operating cash flow is negative, then _____.
- (A) the firm is bankrupt (B) the firm can pay no dividends
(C) cash flow to bondholders must be negative
(D) cash flow to stockholders must be positive
(E) cash flow from assets may be positive
10. () Which of the following statements is true?
- (A) Present values and discount rates move in the same direction with one another.
(B) On loans with monthly compounding, the APR will exceed the EAR.
(C) Compounding essentially means earning interest on interest.
(D) Future values decrease with increases in interest rates.
(E) All else the same, the longer the term of a loan the lower will be the total interest you pay on it.
11. () Preemptive rights refers to:
- (A) The right of shareholders to share proportionately in dividends paid.
(B) The right of shareholders to share proportionately in any new stock issues sold.
(C) The right of shareholders to share proportionately in liquidated assets.
(D) The right of shareholders to vote at annual shareholder meetings.
(E) None of the above.
12. () Which of the following activities would decrease net working capital the most?
- (A) Financing a land purchase for a new manufacturing plant via a sale of new stock.
(B) Adopting a more lax credit policy on sales.
(C) Decreasing the number of product lines your firm carries.
(D) Adopting a production schedule that produces goods only after a customer order is received.
(E) Using long-term bank credit to reduce payables.

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本試題

共 9 頁

第 4 頁

13. () Which of the following is not a type of agency cost?
- (A) The cost of an audit of the firm's financial statements.
- (B) The cost of a corporate jet provided to the CEO as part of her compensation package.
- (C) Loans provided to the firm's managers at below-market interest rates.
- (D) The costs of financing the firm.
- (E) The cost of providing life insurance to the firm's CFO.
14. () In capital budgeting analysis, the primary objective should be to choose projects that:
- (A) Least affect the balance sheet of the company. (B) Maximize future cash inflows.
- (C) Maximize firm value. (D) Result in the highest net income.
- (E) Minimize initial cash outflows.
15. () Evaluating a project on the basis of its incremental cash flows, and ignoring the other cash flows of the firm, is an application of the:
- (A) Equivalence theorem (B) Law of one price (C) Stand-alone principle
- (D) Bell's theorem (E) Equivalent annual cost procedure
16. () Which of the following statements regarding cash flow is false?
- (A) Cash flow measures changes in the firm's cash account.
- (B) Cash flow should be recognized when it occurs, and not according to GAAP principles.
- (C) Cash flow should be evaluated on an after-tax basis.
- (D) Cash flow and accounting profit can at times lead to different conclusions regarding the desirability of a project.
- (E) Incremental cash flows should include opportunity costs but ignore sunk costs.
17. () All else the same, the value of a call option decreases as the:
- I. Underlying asset price decreases
- II. Exercise price decreases
- III. Volatility decreases
- (A) I only (B) II only (C) III only (D) I and III only (E) II and III only

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本試題
共 9 頁
第 5 頁

18. () Which of the following project analysis methods likely would be the most useful in identifying the one forecast variable with the greatest estimation risk?
- (A) scenario analysis (B) simulation analysis (C) strategic options analysis
(D) break-even analysis (E) sensitivity analysis
19. () The ability of shareholders to undo the dividend policy of the firm and create an alternative dividend payment policy via reinvesting dividends or selling shares of stock is called (a):
- (A) Perfect foresight model. (B) M&M Proposition I. (C) Homemade leverage.
(D) Capital structure irrelevancy. (E) Homemade dividend policy.
20. () Which of the following is inconsistent with efficient markets at its strongest level?
- (A) On average, security prices are neither too high nor too low.
(B) One cannot profit regularly from publicly available information.
(C) Historical price trends give you a good idea of where prices are headed in the future.
(D) Prices adjust quickly when reacting to new information.
(E) It is not possible to earn excess abnormal returns by investing in the stock market.
21. () Which of the following statements is false?
- (A) Risky assets earn a risk premium, on average.
(B) The risk-free asset has no risk premium in efficient markets.
(C) On average, the greater the risk, the greater the reward.
(D) When comparing the common stock of two firms, the riskier one will have the lower price.
(E) If markets are efficient, then all assets in that market will have the same reward to risk ratio.
22. () Which of the following would likely have the greatest amount of systematic risk?
- (A) A portfolio of the common stocks of 100 randomly-selected companies.
(B) The market portfolio.

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本試題
共 9 頁
第 6 頁

- (C) A portfolio half invested in the market portfolio and half invested in Treasury bills.
- (D) A portfolio half invested in the market portfolio and half in stocks with $\beta=1.5$.
- (E) A portfolio made up entirely of Treasury bills.
23. () The explicit and implicit costs associated with corporate default are the _____ of the firm.
- (A) flotation costs (B) default beta coefficients (C) direct bankruptcy costs
(D) indirect bankruptcy costs (E) financial distress costs
24. () For which of the following situations will earnings per share increase for a firm with positive earnings?
- (A) Convertible bonds are exercised into common shares by the bondholders.
(B) Warrants are exercised by the warrant holders.
(C) The firm has a secondary equity offering in the market.
(D) The firm initiates a formal share buyback program.
(E) Managers of the firm exercise their stock options.
25. () Which of the following is false regarding stock options?
- (A) Buying a call option gives you the right to purchase shares.
(B) Selling a call option may give you the obligation to sell shares.
(C) Both call options and put options at times have negative value in the options market.
(D) Buying a put option gives you the right to sell shares.
(E) Selling a put option may give you the obligation to buy shares.
26. () The proposition that a firm borrows up to the point where the marginal benefit of the interest tax shield derived from increased debt is just equal to the marginal expense of the resulting increase in financial distress costs is called the:
- (A) Static Theory of Capital Structure. (B) M&M Proposition I.
(C) M&M Proposition II. (D) Capital Asset Pricing Model.
(E) Open Markets Theorem.

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本試題
共 9 頁
第 7 頁

27. () All else the same, a higher corporate tax rate _____.
- (A) will decrease the WACC of a firm with some debt in its capital structure
 (B) will increase the WACC of a firm with some debt in its capital structure
 (C) will not affect the WACC of a firm with some debt in its capital structure
 (D) will decrease the WACC of a firm with no debt in its capital structure
 (E) will change the WACC of a firm with some debt in its capital structure, but the direction is unclear.
28. () An agreement to exchange currencies at some point in the future using an agreed-upon exchange rate is called a _____ trade.
- (A) spot (B) forward (C) swap (D) floating (E) triangle
29. () The "winner's curse" refers to the fact that investors that participate in many IPOs tend to:
- (A) Make money, on average, because underwriters typically underprice new issues.
 (B) Make money, on average, because issues tend to be oversubscribed, allowing one to cover their losses on bad purchases.
 (C) Make money, on average, because it is unlikely an IPO's price will ever decline.
 (D) Lose money, on average, because the most underpriced issues will likely be oversubscribed.
 (E) Lose money, on average, because investors get few shares for overpriced issues.
30. () The market's reaction to the announcement of a change in the firm's dividend payout is the:
- (A) Information content effect. (B) Clientele effect. (C) Efficient Markets Hypothesis
 (D) M&M Proposition I. (E) M&M Proposition II.
31. () The effect on an option's value of a small change in the value of the underlying asset is called the option _____.
- (A) theta (B) vega (C) rho (D) delta (E) gamma

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 本試題
共 9 頁
第 8 頁

32. () The result that a protective put can be perfectly replicated by owning a U.S. T-bill and a call option is the _____.
- (A) put-call parity relation (B) covered call (C) protective put
(D) straddle (E) strangle
33. () Which of the following distributions, when recorded on the balance sheet, will result in a change in all three of the common stock, retained earnings, and additional paid-in capital accounts?
- (A) Regular cash dividend (B) Cash liquidating dividend (C) Special cash dividend
(D) Stock dividend (E) Stock split
34. () The rate most international banks charge one another for overnight Eurodollar loans is called the _____.
- (A) Eurodollar yield to maturity (B) London Interbank Offer Rate
(C) Paris Opening Interest Rate (D) United States Treasury Bill Rate
(E) International Prime Rate
35. () The condition that relates interest rate differentials between countries to the percentage difference between their forward and spot exchange rates is called:
- (A) The unbiased forward rates condition. (B) Uncovered interest rate parity.
(C) The international Fisher effect. (D) Purchasing power parity.
(E) Interest rate parity.
36. () A forecast for the future volatility of an asset obtained from the Black-Scholes OPM is called a(n) _____.
- (A) residual error (B) asset mean return (C) derived case volatility (DCV)
(D) forecast rho (E) implied standard deviation (ISD)
37. () A public offer by one firm to directly buy the shares of another firm is called a _____.
- (A) merger (B) consolidation (C) tender offer (D) spinoff (E) divestiture

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本試題
共 9 頁
第 9 頁

38. () An attempt to gain control of a firm by soliciting a sufficient number of shareholder votes to replace the current board of directors is called a:
- (A) Tender offer. (B) Proxy contest. (C) Going-private transaction.
(D) Leveraged buyout. (E) Consolidation.
39. () The positive incremental net gain associated with the combination of two firms through a merger or acquisition is called (the) _____.
- (A) agency conflict (B) goodwill (C) merger cost
(D) consolidation effect (E) synergy
40. () A financial lease in which the lessor borrows a substantial fraction of the cost of the leased asset on a nonrecourse basis is called a(n) _____.
- (A) leveraged lease (B) sale and leaseback (C) operating lease
(D) tax-oriented lease (E) straight lease

II. Essays (20 points)

1. Explain the degree of operating leverage, the degree of financial leverage and the degree of combined leverage? (10 points)
2. Discuss the causes and solutions of European sovereign debt crisis. (10 points)