

考 試 科 目	財務管理	系 所 別	金融學系金融管理組	考 試 時 間	2 月 10 日(四) 第三節
<p>I. Explain the following term briefly (24 points, 4 points for each)</p> <ol style="list-style-type: none">1. Asset's liquidity2. The acid-test ratio3. The IRR4. Sensitivity analysis5. Defensive stocks6. MM's proposition II <p>II. Computational Questions (25 points, 5 points for each)</p> <ol style="list-style-type: none">1. Johnson's Nursery has net income of \$42,500, depreciation expense of \$1,800, interest expense of \$900, taxes of \$1,600, additions to net working capital of \$2,300, and capital expenditures of \$11,700. What is the amount of the free cash flow?2. XYZ Corp. has an operating profit margin of 7%, a debt burden of .8, and has financed two-thirds of its assets through equity. What asset turnover ratio is necessary to achieve an ROE of 18%?3. Suppose that the total value of dividends to be paid by companies in the Narnian stock market index is \$100 billion. Investors expect dividends to grow over the long term by 5% annually, and they require a 10% return. Now a collapse in the economy leads investors to revise their growth estimate down to 4%. By how much should market values change?4. Suzi owns 100 shares of AB stock. She expects to receive a \$238 in dividends next year. Investors expect the stock to sell for \$46 a share one year from now. What is the intrinsic value of this stock if the dividend payout ratio is 40% and the discount rate is 13.5%?5. What is the expected rate of return to equity holders if the firm has a tax rate of 21%, the interest rate on debt is 10%, WACC is 15%, and the debt-asset ratio is 60%? <p>III. Short answer questions (10 points)</p> <ol style="list-style-type: none">1. What does the existence of an upward-sloping yield curve suggest?2. What is the purpose of a floating-rate bond?					

考 試 科 目	財務管理	系 所 別	金融學系金融管理組	考 試 時 間	2 月 10 日(四) 第三節
---------	------	-------	-----------	---------	-----------------

IV. Questions (41 points)

1. Archmedes Levers is financed by a mixture of debt and equity. There are no taxes. You have the following information about its cost of capital:

$$r_E = (a); \quad r_D = 12\%; \quad r_A = (b);$$

$$\beta_E = 1.5; \quad \beta_D = (c); \quad \beta_A = (d);$$

$$r_f = 10\%; \quad r_m = 18\%; \quad D/E = 0.5.$$

Can you fill in blanks (a) to (d)? (6 points for each)

2. Suppose that the S&P 500, with a beta of 1.0, has an expected return of 10% and T-bills provide a risk-free return of 4%.

- How would you construct a portfolio from those two assets with an expected return of 8%? Specifically, what will be the weights in the S&P 500 versus T-bills? (6 points)
- How would you construct a portfolio from these two assets with a beta 0.4? (6 points)
- Find the risk premiums of the portfolios in parts (a) and (b), and show that they are proportional to their betas. (5 points)

備

註

- 作答於試題上者，不予計分。
- 試題請隨卷繳交。