

J.V.M's Mehta Degree College
Mission Exam 2020
Class: TYBAF Sem VI
Sub: Financial Management III

Multiple choice Questions:

1. EVA is calculated to find out contribution of the organization to _____
a) Wealth of shareholders b) Wealth of Debenture holders
c) Wealth of employees d) Creditors
2. Among all types of values the _____ value of a business or an asset is likely to be the lowest.
a) Intrinsic b) Fair
c) Disposal d) Liquidation
3. Market Value Added = _____ (-) Invested Equity Capital
a) Economic Value Added b) Market Capitalization
c) Book Value d) Intrinsic Value
4. Higher Economic Value Added implies _____ bonuses to employees.
a) Higher b) Lower
c) Same d) NO
5. Cash credit is created against _____
a) Pledge b)Hypothecation c) Mortgage d) Both a & b
6. Balance of capital reduction is utilized to _____
a) Write off Preliminary expense b) pay dissentient shareholders
c) Issue of bonus shares d) None of the above
7. XYZ Ltd had on 31st December,2018 , 80,000 equity shares at Rs 10 each . It was decided to reduced shares to Rs. 8 each . The reduction is _____
a) Rs. 160000 b) Rs 80000
c) Rs 200000 d) Rs 150000
8. Spontaneous source of working capital is _____
a) Notes payable b) Bills Payable
c) Creditors d) All of the above
9. In case of any default by debtors the factor has to _____
a) Bear risk of loss due to bad debt b) Bear no risk of loss due to bad debts
c) Pay commission to the seller d) Pay the penalty
10. Factor advances up to 70% to 80% of debt due in _____
a) Recourse Factoring b) Non recourse factoring
c) Finance Factoring d) Debt Factoring

24. Internal long term source include _____
- a) Retained profit b) Depreciation
 c) both a & b d) Share Capital
25. Factoring saves _____
- a) Administrative cost b) Bad debts
 c) Interest d) All of the above

ANS:

1. a	2. d	3. b	4. a	5. d
6. a	7. a	8. d	9. a	10. b
11. c	12. a	13. d	14. d	15. a
16. d	17. c	18. d	19. a	20. c
21. d	22. b	23. d	24. c	25. d