# TYBMS SEM VI 2019-2020 STRATEGIC FINANCIAL MANAGEMENT  (MOCK TEST)

| SERIAL NUMBER | QUESTION TEXT | OPTION_a | OPTION_b | OPTION_c | OPTION_d | CORRECT OPTION | Solution |
|---|---|---|---|---|---|---|---|
| 1 | Part of income distributed to shareholders. | Profit | Loss | Dividend | Retained Profit | c | Dividend |
| 2 | Dividends are payments which are | Voluntary | Non-obligatory | Obligatory | Occasional | b | Non-obligatory |
| 3 | The irrelevance theory of dividend was supported by | Walter | MM | Gordon | Fayol | b | MM |
| 4 | The Relevance theory of dividend was supported by | Walter | MM | Gordon | Walter & Gordon | a | Walter |
| 5 | The most common form of dividend payment is | Stock Dividend | Cash Dividend | Stock Split | Bonus Issue | b | Cash Dividend |
| 6 | The approvable to dividend policy are | One | Two | Three | Four | b | Two |
| 7 | The profit which is distributed as dividend is known as | Isolating Profit | Divisible Profit | Net Profit | Gross Profit | b | Divisible Profit |
| 8 | Payment of fixed dividend is known as | Constant Payout | Fluctuating Dividend | Cash Dividend | Stock Dividend | a | Constant Payout |
| 9 | The policy in which less dividend is paid is | Liberal dividend policy | Conservative dividend policy | Stable dividend policy | Fluctuating dividend policy | b | Conservative dividend policy |
| 10 | Dividend which is declared before declaration of final dividend is called as | Final Dividend | Interims Dividend | Advoc Dividend | Temporary Dividend | b | Interims Dividend |

| # | Question | a | b | c | d | Ans | Answer |
|---|---|---|---|---|---|---|---|
| 11 | Relationship between dividend per share and earning per share is known as : | Dividend Payout | Dividend Yield | Dividend per share | E.P.S | a | Dividend Payout |
| 12 | _____ is authorised to develop XBRL. | ICAI | MCA | SEBI | IDRA | a | ICAI |
| 13 | XBRL stands for | Extra business regulation Ltd. | Excursive business reporting | Extra – ordinary business | Extensible business reporting | d | Extensible business reporting |
| 14 | The institute authorizing to develop XBRL + agronomies in India is | ICAI | MCA | SEBI | IDRA | a | ICAI |
| 15 | Decision making involves risk due to | Uncertainties | Certainties | Huge Investment | Low Investment | a | Uncertainties |
| 16 | Estimate of cash flow is affected by | Present Price Trend | Competition | Sales Volume | Future Price Trend | d | All of the above factors |
| 17 | Under risk adjusted cut off rate method. | Higher the risk zero discount rate. | Lower the risk, lower would be | Higher the risk lower would be | Lower the risk, higher would be the discount | b | Lower the risk, lower would be the discount |
| 18 | If the risk free interest is 15% and risk premium is 10% the RADR would be | 15% | 10% | 25% | 5% | c | 25% |
| 19 | Under certainty equivalent method, | Risky cash flow is converted into | Riskless cash flow is converted | Risky cash flow into uncertain cash | None of the above | a | Risky cash flow is converted into |
| 20 | In sensitivity analysis | Most insensitive variable is | Most sensitive variable is | inSensitivity of human factor is | Sensitivity of human factor is identified | b | Most sensitive variable is found out |
| 21 | Under co-efficient of variation select the project which has | positive co-efficient of variation | Lesser co-efficient of variation | Zero co-efficient of variation | Higher co-efficient of variation | d | Lesser co-efficient of variation |
| 22 | Decision tree is | Tree with branches | Pictorial representation in a tree | Tree with leaves only | frequency representation in a tree form | b | Pictorial representation in a tree form |

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| 23 | Probability gives in accurate results if it is | Adjective | Objective | Subjective | descriptive | c | Subjective |
| 24 | Capital rationing is selection of investment proposal under _____. | Constraint | Weakness of Capital Market | Funds are scare today | non availability of funds | a | Constraint |
| 25 | Capital rationing is caused by _____ and _____ factors. | Constraint,Internal | Constraint, External | Internal, External | no constraints | c | Internal, External |
| 26 | NPVI is equal to _____ , _____. | NPV ÷ Initial Cash inflow | Initial Cash Outflow ÷ NPV | Initial Cash Inflow ÷ NPV | NPV ÷ Initial Cash Outflow | d | NPV ÷ Initial Cash Outflow |
| 27 | NPV method is used when funds are scare _____ and in _____ years. | Internal, External | Today, Constraint | Today, Subsequent | Constraint, External | c | Today, Subsequent |
| 28 | PI method is used when projects are _____ dividsible. | Funds are scare today and thereafter | Projects are infinitely divisble | Infinitely | None of the above | c | Infinitely |
| 29 | Capital rationing can be studied under the situation | Projects are divisible and constraint is a | Projects are indivisible and | Projects are divisible and constraint is | All of the above | d | All of the above |
| 30 | Higher the risk, _____ will be the discount rate. | The degree of risk | The degree of certainty | Higher | None of the above | c | Higher |
| 31 | Under certainty equivalent method _____ cash flow is converted into _____ cash flow. | Senior Executives | Riskless | Probability | Non Probability | b | Riskless |
| 32 | Under sensitivity analysis _____ factor is identified. | Probability | less sensitive | Senior Executives | Most Sensitive | b | Most Sensitive |
| 33 | Under standard deviation _____ of cash flow is ascertained. | Dispersion | Subjective | Objective | coefficient | a | Dispersion |