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 imp	lies 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 us 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 31^{st} 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 8000	0		
	c) Rs 200000 d) Rs 1500	000		
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 deb	t 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			
		Non recourse factoring		
	c) Finance Factoring d) Debt Factoring		

11. Interest Yield = <u>Face value (-)</u>	X <u>360</u>				
Sales price	Maturity period				
a) Purchase Price	b) market price				
c) Sales price	d)Face value				
12. On Internal reconstruction assets are	written off except				
a) Land and building b) Good	dwill				
c) Preliminary Expenses d) Profit	t and loss account				
13. A successful Joint Venture has the follow	ving benefits				
a) R & D	b) Revenue Growth				
c) Utilization of resources	d) All of the above				
14. Different forms of restructuring include	s				
a) Merger b) Acquisition					
c)Takeover d) All of the abo	ove				
15. In liquidation valuation it is assumed that	at the company will be				
a) Liquidated b) Conti	inued				
c) Consolidated d) none	of the above				
16. Corporate restructuring					
a) increases EPS	b) Increases Return				
c) Increases Competitive strength	d) All of the above				
17. As a result of merger if a new company of	comes into existence is called as				
a) Absorption	b) Merger				
c) Amalgamation	d) joint venture				
18. Quoted shares are those shares which a	Quoted shares are those shares which are				
a) listed on the stock exchange	b) Quoted Daily				
c) Quoted by the seller	d) Quoted by the buyer				
19. Super profit is Rs 9167 and the normal	Super profit is Rs 9167 and the normal rate of return is 10% goodwill as per capitalization of				
super profit method is equal to					
a) RS 91670	b) RS 90600				
c) RS 67910	c) Rs 95000				
20. Goodwill as per purchase of super profi	t method is equal to				
a) super profit	b) super profit X amount of purchases				
c) super profit X no. of year's purchases	d) All of the above				
21. Lease is only a					
	b) mode of hiring				
•	d) Both a & b				
22. In cross border lease the parties to lease					
a) same country	b) Different countries				
•	d) none of the above				
23. Factors advances up to 80% to 90 % of c					
a) Recourse factoring b) Non recourse f	-				
c) Finance factoring d) None of the ab	ove				

24. Internal long term source inclu	ıde
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