

MBA FINANCE

Tick the Correct Option

1. The return which the company pays on borrowed funds is termed as
 - A. Dividend
 - B. Interest
 - C. Bonus
 - D. All of the above
2. Current assets are also referred to as
 - A. Working capital
 - B. Investments
 - C. Inventory
 - D. Livestock
3. The assets held by a business which can be converted in the form of cash, without disturbing the normal operations of a business.
 - A. Tangible assets
 - B. Intangible assets
 - C. Fixed assets
 - D. Current assets
4. "Shareholder wealth" in a firm is represented by:
 - A. The number of people employed in the firm.
 - B. The book value of the firm's assets less the book value of its liabilities
 - C. The amount of salary paid to its employees.
 - D. The market price per share of the firm's common stock.
5. The long run objective of financial management is to:
 - A. Maximize earnings per share
 - B. Maximize the value of the firm's common stock
 - C. Maximize return on investment
 - D. Maximize market share
6. The market price of a share of common stock is determined by:
 - A. The board of directors of the firm
 - B. The stock exchange on which the stock is listed
 - C. The president of the company
 - D. Individuals buying and selling the stock
7. The focal point of financial management in a firm is:
 - A. The number and types of products or services provided by the firm.
 - B. The minimization of the amount of taxes paid by the firm.
 - C. The creation of value for shareholders.
 - D. The dollars profits earned by the firm
8. _____ refers to a firm holding some cash to meet its routine expenses that are incurred in the ordinary course of business.
 - A. Speculative motive
 - B. Transaction motive
 - C. Precautionary motive
 - D. Compensating motive
9. XYZ is an oil based business company, which does not have adequate working capital. It fails to meet its current obligation, which leads to bankruptcy. Identify the type of decision involved to prevent risk of bankruptcy.
 - A. Investment decision
 - B. Dividend decision
 - C. Liquidity decision
 - D. Finance decision
10. Financial instruments with maturities of less than one year are traded in the
 - A. Equity market
 - B. Capital market.
 - C. Money market.
 - D. Fixed-income market.
11. Which of the following is not a regulatory institution in Indian financial system?
 - A. RBI
 - B. CIBIL
 - C. SEBI
 - D. IRDA
12. _____ is regarded as a queen of Indian financial system.
 - A. SEBI
 - B. RBI
 - C. Finance Ministry
 - D. BSE
13. RBI is the lender of last resort for
 - A. Central Government
 - B. State Governments
 - C. Stock markets
 - D. Commercial Banks
14. Which of the following is a financial asset
 - A. Gold
 - B. Silver
 - C. Share
 - D. Land
15. Which of the following is a cash asset?
 - A. Deposit created out of loans
 - B. Share
 - C. Bond
 - D. Post office certificate

16. Right shares are offered to.....
- A. Debenture holders
 - B. Existing shareholders
 - C. List 2 contributories
 - D. Liquidators
17. is the suitable method where small companies issue shares
- A. Public
 - B. Issue
 - C. Placement
 - D. Offer for sale
 - E. None of these
18. issues does not bring in any fresh capital
- A. Equity
 - B. Preference
 - C. Debenture
 - D. Bonus
19. Prospectus is not issued in
- A. Public issue
 - B. Private placement
 - C. Right issue
 - D. None the above
20. An issuer need not file an offer document in case of
- A. Public issue
 - B. Preferential allotment
 - C. Right issue
 - D. Bought out deal
21. Which of the following is a fee based service
- A. Hire purchase
 - B. Leasing
 - C. Capital issue management
 - D. Underwriting
22. In India, the company which actually deals with the corpus of the mutual fund is called
- A. Sponsor company
 - B. Trustee company
 - C. Asset management company
 - D. Mutual Fund Company
23. Gold is a
- A. Financial asset
 - B. Non-financial asset
 - C. Fictitious asset
 - D. Intangible asset
24. _____ is also known as "G.Secs"
- A. Gold Traded Fund (GTF)
 - B. General Securities
 - C. Govt. Securities
 - D. Growth oriented fund
25. ESOP stands for
- A. Equity share option Plan
 - B. Equity shares Option premium
 - C. Employee stock Option Plan
 - D. Equity Stock Option Plan