

Question 1

The selling of some of a firm's assets for various strategic motives is called divestiture.

Answer: <https://biology-forums.com/index.php?topic=578027>

Question 2

Greater control over the acquisition of new materials or the distribution of finished goods is an economic benefit of horizontal merger.

Answer: <https://biology-forums.com/index.php?topic=577972>

Question 3

Assets leased under _____ leases generally have a usable life longer than the term of the lease.

- A) financial
- B) operating
- C) capital
- D) direct

Answer: <https://biology-forums.com/index.php?topic=577793>

Question 4

A _____ measures the dispersion around the expected value.

- A) coefficient of variation
- B) chi square
- C) mean
- D) standard deviation

Answer: <https://biology-forums.com/index.php?topic=576404>

Question 5

In economic conditions characterized by short-term interest rates which exceed long-term interest rates, the financing strategy which would maximize profits is _____ strategy.

- A) the aggressive
- B) the conservative
- C) the trade-off
- D) a seasonal

Answer: <https://biology-forums.com/index.php?topic=577394>

Question 6

The theory suggesting that for any given issuer, long-term interest rates tends to be higher than short-term rates is called _____.

- A) expectation hypothesis
- B) liquidity preference theory
- C) market segmentation theory
- D) interest parity theory

Answer: <https://biology-forums.com/index.php?topic=575980>

Question 7

A firm has an average age of inventory of 101 days, an average collection period of 49 days, and an average payment period of 60 days. The firm's cash conversion cycle is _____ days.

- A) 60
- B) 52
- C) 41
- D) 90

Answer: <https://biology-forums.com/index.php?topic=577368>

Question 8

_____ analysis involves the comparison of different firms' financial ratios at the same point in time.

- A) Time-series
- B) Cross-sectional
- C) Marginal
- D) Technical

Answer: <https://biology-forums.com/index.php?topic=575528>

Question 9

The future value of an annuity of \$1,000 each quarter for 10 years, deposited at 12 percent compounded quarterly is _____.

- A) \$17,549
- B) \$75,401
- C) \$93,049
- D) \$11,200

Answer: <https://biology-forums.com/index.php?topic=575859>

Question 10

The Euromarket is the international financial market that provides for borrowing and lending currencies outside their country of origin.

Answer: <https://biology-forums.com/index.php?topic=578152>

Question 11

Financing that matures in one year or less and has specific assets pledged as collateral is called _____.

- A) unsecured long-term financing
- B) unsecured short-term financing
- C) secured short-term financing
- D) secured long-term financing

Answer: <https://biology-forums.com/index.php?topic=577733>

Question 12

The net effect of a stock repurchase is _____.

- A) similar to an interest payment
- B) similar to a cash dividend
- C) similar to a stock split
- D) similar to a reverse stock split

Answer: <https://biology-forums.com/index.php?topic=577193>

Question 13

Jannet Company, currently pays its employees at the end of a week. The weekly payroll totals \$400,000. If it were to extend the pay period so as to pay its employees 1 week later throughout an entire year, the employees would in effect be lending the firm _____ for a year.

- A) \$400,000
- B) \$20,800,000
- C) \$4,800,000
- D) \$675,000

Answer: <https://biology-forums.com/index.php?topic=577624>

Question 14

Colin has inherited \$6,000 from the death of Grandma Anna. He would like to use this money to buy his mom Hayley a new scooter costing \$7,000, two years from now. Will Colin have enough money to buy the gift if he deposits his money in an account paying 8 percent compounded semiannually?

Answer: <https://biology-forums.com/index.php?topic=575792>

Question 15

Comparing net present value and internal rate of return _____.

- A) always results in the same ranking of projects
- B) always results in the same accept-reject decision
- C) may give different accept-reject decisions
- D) is only necessary on independent projects

Answer: <https://biology-forums.com/index.php?topic=576804>

Question 16

Which of the following securities is a government issue?

- A) eurodollar deposits
- B) repurchase agreements
- C) certificate of deposits
- D) federal agency issues

Answer: <https://biology-forums.com/index.php?topic=577561>

Question 17

The purpose of the debt covenant that requires maintaining a minimum level of net working capital is to _____.

- A) protect the lender by controlling the risk and marketability of the borrower's security investment alternatives
- B) limit the amount of fixed-payment obligations
- C) ensure a cash shortage does not cause an inability to meet current obligations
- D) limit the annual cash dividends paid by the firm

Answer: <https://biology-forums.com/index.php?topic=576019>

Question 18

The repurchase of common stock results in a type of reverse dilution, since the earnings per share and the market price of stock are increased by reducing the number of shares outstanding.

Answer: <https://biology-forums.com/index.php?topic=577175>

Question 19

A white knight is a takeover defense in which a firm issues securities that give their holders certain rights that become effective when a takeover is attempted and that make the target firm less desirable to a hostile acquirer.

Answer: <https://biology-forums.com/index.php?topic=578085>

Question 20

The higher the risk-adjusted net present, the more viable the project.

Answer: <https://biology-forums.com/index.php?topic=576925>