

TEST

Chapter 1 Introduction to Corporate Finance

QUESTIONS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

1 This is an MCQ question: _____ is related to money and money management.

- Production
- Marketing
- Finance

Correct: +1

2 This is an MCQ question: Finance is the management of _____ affairs of the Company

- Monetary
- Marketing
- Production

Correct: +1

3 This is an MCQ question: Corporation finance deals with the acquisition and use of _____ By business corporation.

- Goods
- Capital
- Land

Correct: +1

4 This is an MCQ question: Company has to pay _____ to government.

- Taxes
- Dividend
- Interest

Correct: +1

5 This is an MCQ question: _____ refres to any kind of fixed assets.

- Authorised capital
- Issued capital
- Fixed capital

Correct: +1

6 This is an MCQ question: _____ refers to the excess of current assets over current liabilities.

- Working Capital
- Paid-up Capital
- Subscribed Capital

Correct: +1

7 This is an MCQ question: Manufacturing Industries have to invest _____ amount of funds to acquire fixed assets.

- Huge
- Less
- minimal

Correct: +1

8 This is an MCQ question: _____ means mix up of various sources of funds in desired proportion.

- Capital budgeting
- Capital Structure
- Capital goods

Correct: +1

9 Choose the correct pair : Capital budgeting

- Investment Decision
- Finance Decison
- Sum of current asset

Correct: +1

10 Choose the correct pair : Fixed Capital

- Fixed liabilities
- Fixed Assets
- Sum of currebt liabilities

Correct: +1

11 Choose the correct pair : Working Capital

- Sum of current liabilities
- Deals with acquisition and use of capital
- Sum of current assets

Correct: +1

12 Choose the correct pair : Capital Structure

- Financing decision
- Mix up of various sources of funds
- product mix

Correct: +1

13 Choose the correct pair : Corporate finance

- Financing Decision
- Deals with acquisition and use of capital
- Deals withg acquisition and use of assets

Correct: +1

14 This is a true false question : Fixed Capital is also referred as circulating capital.

- True
- False

Correct: +1

15 This is a true false question : Working capital stays in the business almost permanently.

- True
- False

Correct: +1

16 This is a true false question : The business dealing in luxurious product will require huge amount of working capital.

- True
- False

Correct: +1

17 This is a true false question : Liberal credit policy creates a problem of bad debts.

- True
- False

Correct: +1

18 This is a true false question : Financial institution and banks cater to the working capital requirement of business.

- True
- False

Correct: +1

19 This is a true false question : Business firm gives green signal to the project only when it is profitable.

- True
- False

Correct: +1

20 This is a true false question: Corporate finance brings co-ordination between various business activities

- True
- False

Correct: +1

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Chapter 1 Introduction to Corporate Finance

ANSWERS

SECTIONS

1. Section A - 20 Questions

Section 1 : Section A - 20 Questions

- 1 Finance
- 2 Monetary
- 3 Capital
- 4 Taxes
- 5 Fixed capital
- 6 Working Capital
- 7 Huge
- 8 Capital Structure
- 9 Investment Decision
- 10 Fixed Assets
- 11 Sum of current assets
- 12 Mix up of various sources of funds
- 13 Deals with acquisition and use of capital
- 14 False
- 15 False
- 16 True
- 17 True
- 18 True
- 19 True
- 20 True