

SAMPLE TEST

1. Determine the future course of CZK/USD in one year using the PPP concept. You know following: the current course is 19,38 CZK/USD, the expected inflation rate in the Czech Republic is 2.8 % and the expected inflation in the USA is 1.4 %. Further you know that a bread in the Czech Republic is CZK 26.00.
2. For the following project find the NPV, PB, IRR and the MIRR. Initial costs are \$ 225.00. The project generates this cash flow in consecutive years \$80.00, \$85.00, \$95.00 and \$100.00. The first positive cash flow occurs one year after the beginning of the project. You also know that the cost of foreign capital is 9% and shareholders require at least 12%. The capital structure of the debt corresponds to 75%. The income tax rate is 15%.
3. Ponzi Scheme is: 1) an investment strategy, 2) tax optimization, 3) tool for financial decision, 4) an indicator for technical analysis, 5) financial fraud?
4. Calculate the price of following bond. The face value of the bond is 1,000,000.00, the maturity of the bond is in four years, yeald to maturity was set at 12 % and the bond coupon rate is 8 %.
5. Please explain the term „*Financial bubble*“.
6. How much money you must save at the beginning of each month if you like to create in five years a budget of \$ 36,138.03? Further you know that the annually interest rate is 7.2 % p. a. and the bank calculate the interest three times a year.
7. How would you define a corporation?

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