

2nd_TEST

MPF_AFIN

January 8, 2021

Name:

UCO:

1. Determine the future course of CZK/USD in one year using the PPP concept. You know following: the current exchange rate is 21.25 CZK/USD, the expected inflation rate in the Czech Republic is 2.9 % and the expected inflation in the USA is 1.7 %. Further you know that a bread in the Czech Republic is CZK 33.00.
2. For the following project find the NPV. 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. Calculate for the example above IRR.
4. Calculate for the example number 2 MIRR.
5. Calculate (example 2) or describe in your own words the valuation tool Payback Period (PP).
6. Specify the phases of personal finance by age.
7. Calculate the price of following bond. The face value of the bond is 100,000.00, the maturity of the bond is in five years, yeald to maturity was set at 7 % and the bond coupon rate is 9 %.
8. Describe the term „Fundamental Analyses“ in relation to securities.
9. How much money you must to save at the beginning of each month if you like to create in five years a budget of \$ 100,000.00? Further you know that the annually interest rate is 7.2 % p. a. and the bank calculate the interest four times a year.
10. How would you define a corporation?
11. Describe with your own words the term International finance.
12. Describe the concept of „Time Value of Money“ (in own words).
13. What was the Bretton Woods system?
14. A client has to repay a mortgage of \$ 1000,000.00 in monthly payments during the next 20 years. The annuities are equal, the interest rate is 8 % per annum with the interests calculated every month. Define the amount of monthly payments (anuity, interest, amortization, remaining debt – just the first row in the amortization table).
15. What is the main objective of Financial management in a corporation?