

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Ayman El Feddali	556752	24

- 1** Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.
- A 9.17%
 B 6.38%
 C 5.93%
 D 4.17%
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- 2** If we focus on a question of whether a company can deliver more value through an activity than others, which principle of responsible business we deal with.
- A The principle of multiplication.
 B The principle of comparative advantage.
 C The principle of materiality.
 D The principle of absolute advantage.
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- 3** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 B Liabilities = Equity.
 C Assets = Equity.
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- 4** Choose the correct statement:
- A The profit margin can also be understood as a competitive constraint.
 B Profit margin can also be understood as capacity and competitive constraint.
 C Asset turnover can also be understood as a capacity and competitive constraint.
 D Asset turnover can also be understood as a competitive constraint.
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- 5** If asset turnover ratio equals to 1.5, what kind of company it probably is.
- A This is probably a service providing company.
 B This is probably a capital-intensive company.
 C We are unable to determine a kind of business.
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- 6** Select the incorrect statement regarding asset turnover.
- A The higher the value of the indicator, the higher the ROA and the lower the ROE.
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- 7** Choose the correct statement:
- A Financial leverage is always positive.
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- 8** If a company has debt with both fixed and floating interest rate, what effect will a general rise in interest rates in the economy have on the interest coverage ratio?
- A The interest coverage ratio will not change.
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- 9** What should be the main goal of a corporation?
- A Maximizing the company's profit.
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- 10** EL car corp. plans an investment project that will expand the production capacity of electric cars. A project can be compared with riskiness of the US shares in the electro car industry, for which the expected return was evaluated at 14%. The yield on US government bonds is 5.5%. What is the minimum acceptable rate of return for the planned project?
- A 14%.
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- 11** Choose the incorrect statement regarding financial planning:
- A Predictions in financial planning are always uncertain.
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 C Predictions in financial planning are very accurate.
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- 12** Choose which of the firm's decision is an investment decision.
- A Purchase of bonds.
 B Issue of shares.
 C Purchase of a business plant.
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- 13** The company's ROA is 12%. Assuming that the cost of paid capital is 200,000 and the total value of debt is 1,500,000, what impact would the use of additional debt financing have on ROE?
- A** Further debt financing would have a positive effect on ROE (positive leverage effect).
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- 14** DuPont's five-factor decomposition does not include:
- A** Operating profit margin.
 - B** Effect of interest burden.
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Yasna Tomirtova	546164	47

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Kazi Mwatoza Haq	543352	8

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$$\frac{ROE \times plow}{1 - ROE \times plow}$$

$$\frac{AEAT}{net\ income}$$

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$$x - x \cdot 20\% = 16\%$$

$$0.8x = 16\%$$

$$x = 16$$

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ISHIKA RASTOGI	556315	2

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LUCAS MARINI RODRIGUES	556277	9

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- A The principle of multiplication.
 - B The principle of comparative advantage.
 - C The principle of materiality.
 - D The principle of absolute advantage.
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- 13** What should be the main goal of a corporation?
- A Maximizing the company's profit.
 - B Maximizing company value.
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-
- 14** DuPont's five-factor decomposition does not include:
- A Operating profit margin.
 - B Effect of interest burden.
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 - D The length of the cash cycle.
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- 15** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
		5

- 1** Choose the correct statement:
- A Financial leverage is always positive. ✓
 - B Financial leverage can equal to 0.5.
 - C We classify financial leverage as an indicator of indebtedness.
 - D If financial leverage is equal to 1, it means that the firm uses only debt for financing.
-
- 2** Choose the correct statement:
- A The profit margin can also be understood as a competitive constraint.
 - B Profit margin can also be understood as capacity and competitive constraint.
 - C Asset turnover can also be understood as a capacity and competitive constraint. ✓
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- 5** Select the incorrect statement regarding asset turnover.
- A The higher the value of the indicator, the higher the ROA and the lower the ROE.
 - B This is a determinant of company growth. ✓
 - C The higher the value of the indicator, the higher the ROA and ROE.
 - D It is related to the length of the company's cash cycle.
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- 6** If a company has debt with both fixed and floating interest rate, what effect will a general rise in interest rates in the economy have on the interest coverage ratio?
- A The interest coverage ratio will not change.
 - B The interest coverage ratio will increase.
 - C The interest coverage ratio will decrease. ✓
 - D Interest rate changes are not included in the indicator.
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- 7** EL car corp. plans an investment project that will expand the production capacity of electric cars. A project can be compared with riskiness of the US shares in the electro car industry, for which the expected return was evaluated at 14%. The yield on US government bonds is 5.5%. What is the minimum acceptable rate of return for the planned project?
- A 14%.
 - B 5.5%. ✓
 - C 19.5%.
 - D 8.5%.
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- 8** The company's ROA is 12%. Assuming that the cost of paid capital is 200,000 and the total value of debt is 1,500,000, what impact would the use of additional debt financing have on ROE?
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- A Predictions in financial planning are always uncertain.
 - B The simplest prediction method is based on sales prediction.
 - C Predictions in financial planning are very accurate. ✓
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- 12** Choose which of the firm's decision is an investment decision.
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- 13** If asset turnover ratio equals to 1.5, what kind of company it probably is.
- A This is probably a service providing company. ✓
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- 14** The company's net profit margin is 16%, the tax burden is 20%. What is the operating profit margin?
- A 19.2%
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- 15** Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.
- A 9.17%
 - B 6.38%
 - C 5.93%
 - D 4.17%

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
Md. Eywin Howard	546199	17

- 1** The company's ROA is 12%. Assuming that the cost of paid capital is 200,000 and the total value of debt is 1,500,000, what impact would the use of additional debt financing have on ROE?
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- 5** Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.
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C Asset turnover can also be understood as a capacity and competitive constraint.
D Asset turnover can also be understood as a competitive constraint.
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- 12** Choose the correct statement:
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MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
S M MAHBUB ULLAH	556271	29

1 Choose the correct statement:

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2 Select the incorrect statement regarding asset turnover.

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3 The company's ROA is 12%. Assuming that the cost of paid capital is 200,000 and the total value of debt is 1,500,000, what impact would the use of additional debt financing have on ROE?

- A** Further debt financing would have a positive effect on ROE (positive leverage effect).
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4 If a company has debt with both fixed and floating interest rate, what effect will a general rise in interest rates in the economy have on the interest coverage ratio?

- A** The interest coverage ratio will not change.
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- B** 5.5%.
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- C** We are unable to determine a kind of business.
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9 Choose which of the firm's decision is an investment decision.

- A** Purchase of bonds.
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- A Financial leverage is always positive.
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- 13** Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.
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MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Polina Holomietš	547427	48

- 1** Select the incorrect statement regarding asset turnover.
- A** The higher the value of the indicator, the higher the ROA and the lower the ROE.
- B** This is a determinant of company growth.
- C** The higher the value of the indicator, the higher the ROA and ROE.
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- 2** Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.
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$$16\%$$

$$x - 0,2x = 0,16$$

$$0,8x = 0,16$$

$$x = 0,2\% \quad /: 20\%$$

$$ROA = 12\%$$

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Debořita Dhar	546127	32

- 1** Choose the incorrect statement regarding financial planning:
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MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
Diana Helal	556259	20

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MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
Fournier	556585	34

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 - B Further debt financing would have a negative effect on ROE (negative leverage effect).
 - C It is possible to estimate the effect on ROA, not ROE.
 - D It is not possible to determine the effect on ROE.
-
- 8** The company's net profit margin is 16%, the tax burden is 20%. What is the operating profit margin?
- A 19.2%
 - B 12.8%
 - C 20%
 - D 36%
-
- 9** Select the incorrect statement regarding asset turnover.
- A The higher the value of the indicator, the higher the ROA and the lower the ROE.
 - B This is a determinant of company growth.
 - C The higher the value of the indicator, the higher the ROA and ROE.
 - D It is related to the length of the company's cash cycle.
-
- 10** Choose the correct statement:
- A Financial leverage is always positive.
 - B Financial leverage can equal to 0.5.
 - C We classify financial leverage as an indicator of indebtedness.
 - D If financial leverage is equal to 1, it means that the firm uses only debt for financing.
-
- 11** EL car corp. plans an investment project that will expand the production capacity of electric cars. A project can be compared with riskiness of the US shares in the electro car industry, for which the expected return was evaluated at 14%. The yield on US government bonds is 5.5%. What is the minimum acceptable rate of return for the planned project?
- A 14%.
 - B 5.5%.
 - C 19.5%.
 - D 8.5%.

- 12** If a company has debt with both fixed and floating interest rate, what effect will a general rise in interest rates in the economy have on the interest coverage ratio?
- A The interest coverage ratio will not change.
 - B The interest coverage ratio will increase.
 - C The interest coverage ratio will decrease.
 - D Interest rate changes are not included in the indicator.
-
- 13** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 14** DuPont's five-factor decomposition does not include:
- A Operating profit margin. ✓
 - B Effect of interest burden. ✓
 - C Tax effect. ✓
 - D The length of the cash cycle.
-
- 15** Choose which of the firm's decision is an investment decision.
- A Purchase of bonds.
 - B Issue of shares.
 - C Purchase of a business plant.
 - D Reinvestment of profit.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
LASHA	596184.	36

1 Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.

- A 9.17%
- B 6.38%
- C 5.93%
- D 4.17%

2 EL car corp. plans an investment project that will expand the production capacity of electric cars. A project can be compared with riskiness of the US shares in the electro car industry, for which the expected return was evaluated at 14%. The yield on US government bonds is 5.5%. What is the minimum acceptable rate of return for the planned project?

- A 14%.
- B 5.5%.
- C 19.5%.
- D 8.5%.

3 If a company has debt with both fixed and floating interest rate, what effect will a general rise in interest rates in the economy have on the interest coverage ratio?

- A The interest coverage ratio will not change.
- B The interest coverage ratio will increase.
- C The interest coverage ratio will decrease.
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4 DuPont's five-factor decomposition does not include:

- A Operating profit margin.
- B Effect of interest burden.
- C Tax effect.
- D The length of the cash cycle.

5 If the value of financial leverage is 2.4, it implies that:

- A Liabilities > Equity.
- B Liabilities = Equity.
- C Assets = Equity.
- D Liabilities < Equity.

6 Choose the correct statement:

- A Financial leverage is always positive.
- B Financial leverage can equal to 0.5.
- C We classify financial leverage as an indicator of indebtedness.
- D If financial leverage is equal to 1, it means that the firm uses only debt for financing.

7 The company's ROA is 12%. Assuming that the cost of paid capital is 200,000 and the total value of debt is 1,500,000, what impact would the use of additional debt financing have on ROE?

- A Further debt financing would have a positive effect on ROE (positive leverage effect).
- B Further debt financing would have a negative effect on ROE (negative leverage effect).
- C It is possible to estimate the effect on ROA, not ROE.
- D It is not possible to determine the effect on ROE.

8 Select the incorrect statement regarding asset turnover.

- A The higher the value of the indicator, the higher the ROA and the lower the ROE.
- B This is a determinant of company growth.
- C The higher the value of the indicator, the higher the ROA and ROE.
- D It is related to the length of the company's cash cycle.

9 What should be the main goal of a corporation?

- A Maximizing the company's profit.
- B Maximizing company value.
- C Maximizing project activities.
- D Cost minimization in any case.

10 Choose the incorrect statement regarding financial planning:

- A Predictions in financial planning are always uncertain.
- B The simplest prediction method is based on sales prediction.
- C Predictions in financial planning are very accurate.
- D Creating a financial plan requires a thorough knowledge of the company based on financial analysis.

11 The company's net profit margin is 16%, the tax burden is 20%. What is the operating profit margin?

- A 19.2%
- B 12.8%
- C 20%
- D 36%

12 Choose which of the firm's decision is an investment decision.

- A Purchase of bonds.
- B Issue of shares.
- C Purchase of a business plant.
- D Reinvestment of profit.

- 13** If asset turnover ratio equals to 1.5, what kind of company it probably is.
- A This is probably a service providing company.
 - B This is probably a capital-intensive company.
 - C We are unable to determine a kind of business.
 - D This is probably a monopoly.
-
- 14** If we focus on a question of whether a company can deliver more value through an activity than others, which principle of responsible business we deal with.
- A The principle of multiplication.
 - B The principle of comparative advantage.
 - C The principle of materiality.
 - D The principle of absolute advantage.
-
- 15** Choose the correct statement:
- A The profit margin can also be understood as a competitive constraint.
 - B Profit margin can also be understood as capacity and competitive constraint.
 - C Asset turnover can also be understood as a capacity and competitive constraint.
 - D Asset turnover can also be understood as a competitive constraint.