

MPF_AFAP: 1st test

Jméno a příjmení – pište do okénka	Učo	Číslo zadání
Martha Beatrice Contreras Murrieta	556866	33

- 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** 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.

- 3** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 B Liabilities = Equity.
 C Assets = Equity.
 D Liabilities < Equity.

- 4** 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.

- 5** 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.

- 6** 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%

- 7** 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.

- 8** 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.

- 9** 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%.

- 10** 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.

- 11** 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.

- 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** 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.
-
- 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 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Hanyu Zhang	546253	6

- 1** 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.
-
- 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.
- A 9.17%
 - B 6.38%
 - C 5.93%
 - D 4.17%
-
- 3** 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.
-
- 4** 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%.
-
- 5** 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.
-
- 6** 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%
-
- 7** 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.
-
- 8** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 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 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.
-
- 11** 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.
-
- 12** 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.

13 Choose the incorrect statement regarding financial planning:

- C
- 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.

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.

- B
- A The principle of multiplication.
 - B The principle of comparative advantage.
 - C The principle of materiality.
 - D The principle of absolute advantage.

15 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
- 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
		50

- 1** 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.
-
- 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** 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.
-
- 4** 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%
-
- 5** 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.
-
- 6** 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%
-
- 7** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 B Liabilities = Equity.
 C Assets = Equity. ~~x~~
 D Liabilities < Equity.
- assets*
~~EQ~~ assets - liai
-
- 8** 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.
-
- 9** 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.
-
- 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** 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.
-
- 12** 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.

- 13** 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.
-
- 14** 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.
-
- 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učoo	Číslo zadání
JAMAXUEL BAZIE	546128	11

- 1** 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.
-
- 2** 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%
-
- 3** 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.
-
- 4** 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.
-
- 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.
-
- 6** 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.
-
- 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%.
-
- 8** 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.
-
- 9** 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%
-
- 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** 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.
-
- 12** 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.

- 13** 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.
-
- 14** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 15** 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
CECILIA NASCIMENTO VIANNA	556316	10

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 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.

3 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.

4 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.

5 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.

6 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%

$$\frac{0,14 \times 0,4}{1 - (0,14 - 0,4)} = \frac{0,056}{0,944} = 0,05932 = 5,93\%$$

$$\frac{400}{1000} = 0,4$$

7 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.

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 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.

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

11 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.

12 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.

13 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.

14 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.

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

<i>Jméno a příjmení - pište do okénka</i>	<i>Učo</i>	<i>Číslo zadání</i>
LIDIA CLODIA GOMES	546164	15

- 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** 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.
-
- 3** 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.
-
- 4** 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%
-
- 5** 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.
-
- 6** 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.
-
- 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%.
-
- 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?
- 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.
-
- 9** 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.
-
- 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** 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.

- 12** 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.
-
- 13** 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.
-
- 14** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 15** 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.
-

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Deniz ŞENLIK	556 300	3

- 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. ✓
 D Asset turnover can also be understood as a competitive constraint.
-
- 3** 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.
-
- 4** 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?
- exp return: 14%
bond: 5.5%
- A 14%. ✓
 B 5.5%.
 C 19.5%. ✓
 D 8.5%.
-
- 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** The company's net profit margin is 16%, the tax burden is 20%. What is the operating profit margin?
- Net Profit margin = 0.16
Tax burden = 0.20
- $$\frac{0.16}{(1 - 0.20)} = 0.2$$
- A 19.2%
 B 12.8%
 C 20% ✓
 D 36%
-
- 7** 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. →
-
- 8** 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. =
-
- 9** 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. ✓
-
- 10** 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?
- int rate ↑ debt ↓ ICR
- 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. =
-
- 11** Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 400.
- ROE × Payout = 0.14 × 0.40 = 0.056
 $\frac{0.10 \times 0.40}{1 - 0.10 \times 0.40} = 0.04$
- A 9.17%
 B 6.38%
 C 5.93%
 D 4.17% ✓
-
- 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** 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.
-
- 14** 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.
-
- 15** 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. —

$$ROA = 0.12$$

$$200.000$$

$$Debt = 1.500.000$$

$$Net Income / Shareholders$$

$$Debt / Assets$$

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
TAUSIF AHMED	546163	14

- 1** 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.
-
- 2** 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.
-
- 3** 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%
-
- 4** 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.
-
- 5** 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.
-
- 6** 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.
-
- 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%.
-
- 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.
 - B The interest coverage ratio will increase.
 - C The interest coverage ratio will decrease.
 - D Interest rate changes are not included in the indicator.
-
- 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** 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.
-
- 11** 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.

12 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.

13 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.

14 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%

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.

$$A = L + OE$$

$$\frac{A}{OE} = 2$$

$$\frac{L + OE}{OE} = 2$$

$$\frac{L}{OE} + 1 = 2$$

$$\frac{L}{OE} = 1$$

$$L = 1 \times OE$$

$$A = 2 \times OE$$

$$L = 1$$

$$OE = 2$$

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Oyejele Funmilayo	556 287	12

- 1** 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.
-
- 2** 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.
-
- 3** 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.
-
- 4** 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%
-
- 5** 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.
-
- 6** 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.
-
- 7** 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%
-
- 8** 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.
-
- 9** 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.
-
- 10** 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.
-
- 11** 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.
-
- 12** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.

- 13** 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.

- 14** 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%.

- 15** 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. X

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
Zulgiyya Pashali	556290	1

- 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** 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.
-
- 3** 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.
-
- 4** 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.
-
- 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.
-
- 6** 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.
-
- 7** If the value of financial leverage is 2.4, it implies that:
- A** Liabilities > Equity.
 - B** Liabilities = Equity.
 - C** Assets = Equity.
 - D** Liabilities < Equity.
-
- 8** 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.
-
- 9** 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%
-
- 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** 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** The company's net profit margin is 16%, the tax burden is 20%. What is the operating profit margin?
- Handwritten calculation:*

$$\frac{16 + 20}{1 - 20} = \frac{36}{0.8} = 45$$

$$\frac{16}{20} \cdot 100 = \frac{20}{8} \cdot 100 = 250$$
- A** 19.2%
 - B** 12.8%
 - C** 20%
 - D** 36%

- 13** 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.
-
- 14** 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.
-
- 15** 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
Cháma Dalil	556298	13

- 1** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 2** 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.
-
- 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.
 - D Interest rate changes are not included in the indicator.
-
- 4** 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.
-
- 5** 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.
-
- 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 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%
-
- 8** 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%.
-
- 9** 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%
-
- 10** 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.
-
- 11** 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.
-
- 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** 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.
-
- 14** 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.
-
- 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
NORA LYM MAFOR	556296	52

- 1** 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.
-
- 2** 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.
-
- 3** 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%
-
- 4** 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.
-
- 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.
- A 9.17%
 - B 6.38%
 - C 5.93%
 - D 4.17%
-
- 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.
-
- 7** 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.
-
- 8** 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.
-
- 9** 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.
-
- 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%.
 - B 5.5%.
 - C ✓ 19.5%.
 - D 8.5%.
-
- 11** 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.
-
- 12** 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.

- 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** 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.
-
- 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
MARÍA FERRÁEZ LOSADA	556638	7

1 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.

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

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

3 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.

4 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.

5 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.

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.

7 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%

8 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.

9 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.

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 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.

12 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.

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.

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

$$0.1 \times 2.3$$

$$1 - 0.4 = 0.6$$

14 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%.**

15 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.

$$ROE = \frac{\text{net income}}{\text{shareholders' equity}}$$

$$0.1 \times 2.3$$

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
Andrea Pacheco Vargas	546155	49

- 1** 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.
-
- 2** 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.
-
- 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.
 - D** Interest rate changes are not included in the indicator.
-
- 4** 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.
-
- 5** 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.
-
- 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. \times
-
- 7** 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%
-
- 8** DuPont's five-factor decomposition does not include:
- A** Operating profit margin.
 - B** Effect of interest burden.
 - C** Tax effect. \checkmark
 - D** The length of the cash cycle.
-
- 9** 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%
-
- 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%.
 - B** 5.5%.
 - C** 19.5%.
 - D** 8.5%.
-
- 11** 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.

- 12** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 13** 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.
-
- 14** 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.
-
- 15** 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.

$$\frac{10}{30} = 0.3$$

$$10/5 = 2$$

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učoo	Číslo zadání
Alejandro Medina	556269	16

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

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

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.
- D Asset turnover can also be understood as a competitive constraint.

3 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. ✓

4 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. ✓

5 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.

6 If asset turnover ratio equals to 1.5, what kind of company it probably is. *1.5 = 130000 / 20,000*

- ~~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.

7 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. ✗

8 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. ✗

9 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.

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%.
- B 5.5%.
- C 19.5%.
- D** 8.5%.

11 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. ✓

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 Determine the company's sustainable growth rate if you know the following information: ROA = 10%, ROE = 14%, EAT = 1000, Payout portion of profit = 40%. *PE/NI*

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

$$\text{Sustainable growth rate} = \frac{\text{ROE} \times (1 - \text{payout})}{1} = \frac{14\% \times (1 - 0.4)}{1} = 8.4\%$$

- 14** 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.

- 15** 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%

$$\text{operating profit margin} = .16 / (1 - .20) = 20\%$$

MPF_AFAP: 1st test

Jméno a příjmení – pište do okénka	Učoo	Číslo zadání
	544931	4

- 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** 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.
-
- 3** 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.
-
- 4** 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.
-
- 5** 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.
-
- 6** 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%
-
- 7** 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.
-
- 8** 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.
-
- 9** 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.
-
- 10** 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.
-
- 11** 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.
-
- 12** 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%

- 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** 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%.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učů	Číslo zadání
	556314	51

- 1** 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.
-
- 2** 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.
-
- 3** 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.
-
- 4** 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%.
-
- 5** 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.
-
- 6** 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%
-
- 7** 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.
-
- 8** 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.
-
- 9** 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.
-
- 10** 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.
-
- 11** 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.
-
- 12** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 - B Liabilities = Equity.
 - C Assets = Equity.
 - D Liabilities < Equity.
-
- 13** 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%

14 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.

15 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.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
AHMAD, MUHAMMAD	544134	55

- 1** 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.
-
- 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.
- A 9.17%
 B 6.38%
 C 5.93%
 D 4.17%
-
- 3** If the value of financial leverage is 2.4, it implies that:
- A Liabilities > Equity.
 B Liabilities = Equity.
 C Assets = Equity.
 D Liabilities < Equity.
-
- 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** 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.
-
- 6** 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.
-
- 7** 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.
-
- 8** 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%.
-
- 9** 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.
-
- 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** 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.
-
- 12** 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.
-
- 13** 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%

- 14** 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.
-
- 15** 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.
-

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo	Číslo zadání
KIRAN KHOSHBAKHT ABBAS	556281	53

- 1** 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.
-
- 2** 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.
-
- 3** 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.
-
- 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** 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.
-
- 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 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%
-
- 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?
- 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.
-
- 9** 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%
-
- 10** 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.
-
- 11** 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.
-
- 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 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.

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

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

15 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%.

MPF_AFAP: 1st test

Jméno a příjmení - pište do okénka	Učo 546172	Číslo zadání
VISHAL CHOUDHARY		54

- 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?
- 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.
-
- 2** 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.
-
- 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.
D Interest rate changes are not included in the indicator.
-
- 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** 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.
-
- 6** 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.
-
- 7** 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.
-
- 8** 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.
-
- 9** 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.
-
- 10** 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.
-
- 11** If the value of financial leverage is 2.4, it implies that:
- A** Liabilities > Equity.
B Liabilities = Equity.
C Assets = Equity.
D Liabilities < Equity.

- 12** 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%.
-
- 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** 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%
-
- 15** 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%
-