

Operating cashflow



Which of the following statements is true regarding the goal of financial management? Student Answer: A US company considering international operations will have a different goal than a company that only conducts operations in the US. The firm's structure (i. e. corporation, sole proprietorship, partnership) is not relevant to the goal of financial management. CORRECT A way of aligning management goals to shareholder's interest is to tie managerial compensation to the market value of the firm's stock.

None of the above are true. Points Received: 3 of 3 Comments: . Question : (TCO 1) Book values are different to market values because: Student Answer: INCORRECT Book values reflect the value of the asset based on generally-accepted accounting principles. Book values are used in the company's balance sheet. Book values do not reflect the amount someone is willing to pay today for an asset. CORRECT All of the above Points Received: 0 of 3 Comments: 3. Question : For this question, use the information for Sports Baseballs, Inc. Sports Baseballs, Inc. is a corporation that manufactures and sells baseballs across several states in the Southeast.

Current assets CORRECT Short-term loans CORRECT Cash on hand CORRECT Inventory Points Received: 3 of 3 Comments: 6. Question : (TCO 1) Which one of the following activities best exemplify capital structure decisions. For this exercise you will be choosing more than one option for your answer: Student Answer: CORRECT Determine the most adequate mixture of debt and equity to be maintained. CORRECT Obtain a short-term loan to purchase materials. INCORRECT Identify two capital investment projects. INCORRECT Determine the cost of each source of capital.

INCORRECT Determine the return of a potential project. CORRECT Calculate the cash flows for a project. INCORRECT Assess the terms of loans and evaluate potential long-term financing options. Points Received: 2. 57 of 6 Comments: 7. Question : (TCO 1) Match the following terms with the examples as appropriate: Student Answer: CORRECT : Insider trading » 3 : Martha Stewart's sale of ImClone stock as result of information provided by the company's CEO before an announcement was made public that significantly decrease ImClone's stock price.

McDonald's work to redesign packaging items with recyclable materials. CORRECT : Sarbanes-Oxley Act » 5 : established an oversight board responsible for improving auditing standards within companies. CORRECT : Fraud » 4 : Parmalat's deliberate fraudulent accounting practices. CORRECT : Antitrust case » 2 : Microsoft's monopolistic behavior. Instructor Explanation: (Chapter 1, pages 12-15 and Lecture) Points Received: 4 of 4 Comments: 8. Question : TCO 1) Can you provide some examples of recent well-known unethical behavior cases?

Explain the situation in one or two sentences. Student Answer: Martha Stewart's inside trading when she found out ImClone was not going to approved before the information was released. Parmalat's falsifying documents to fraud accounting practices. Instructor Explanation: (Lecture). Possible answers include: - Parmalat's fraudulent accounting practices - Martha Stewart's insider trading on ImClone - Microsoft antitrust case - Worldcom, Enron, Tyco Points Received: (not graded) Comments: