

Managerial finance exam study guide assignment

[Profession](#), [Manager](#)



Managerial Finance Below I have listed some areas for you to review In preparation for the quiz this week. 1. Objective multiple choice question related to advantages and disadvantages of the various forms of organization. Review Chapter 1, up. 5-8. (TCO A) Review the advantages and disadvantages of the three primary forms of business organization: sole proprietorship, partnership and corporation (liability, tax advantages, etc.) The threaded discussion from Week 1 will also serve as a review for this material. 2.

Objective multiple choice question related to the Security Market Line (SMS) and risk aversion. Review Chapter 6, up. 246-253. (TCO C) The slope of the SMS is determined by investors' aversion to risk. The greater the average Investors risk aversion, the steeper the SMS. The threaded discussion from Week 3 should also serve as a review for this material. 3. Problem multiple choice question related to calculations studied in Chapter 5. You will have one of 4 test bank questions covering either real risk free rate, inflation premium, default risk premium, and liquidity premium.

Since the bond is ailing at par, its yield to maturity is equal to its coupon rate. The current yield is calculated as $\$90/\$1,000 = 9\%$. If the yield to maturity is equal to the coupon rate, the bond will remain at par. Which of the following statements is most correct? A. All else equal, if a bond's yield to maturity increases, its price will fall. B. All else equal, if a bond's yield to maturity increases, its current yield will fall. C. If a bond's yield to maturity exceeds the coupon rate, the bond will sell at a premium over par. D. All of the answers above are correct. E. None of the answers above are correct.

Statement a is correct; the other statements are false. A bond's price and yield to maturity are negatively related. If a bond's yield to maturity is greater than its coupon rate, it will sell at a discount. 6. Problem multiple choice question related to time value of money calculations - Off a lump sum, Poof a lump sum, and Off ordinary annuity. (You will have only one of these types of problems.) Review Chapter 4, future value, up. 125-133; present value, up. 133-136, and Off ordinary annuity, up. 138-140. See homework assignments and thread problems during week 4.

TCO B) Suppose you have \$1, 500 and plan to purchase a 5-year certificate of deposit (CD) that pays 4. 0% interest, compounded annually. How much will you have when the CD matures? \$1, 500 7. Problem multiple choice question related to time value of money calculations - PI of uneven cash flow, Off uneven cash flow, rate in an uneven cash flow. (You will have only one of these types of problems.) Review Chapter 4, uneven or irregular cash flows, up. 148-153. See homework assignments and thread problems during week 4. (TCO B) 8. Problem multiple choice question related to amortization and comparing OFF%.