



Financial Management.d

- 1 Which of the following is not an objective of financial management?
- 2 The primary objective of financial management is to:
- 3 Which of the following is a role of financial managers?
- 4 One of the challenges of financial management is:
- 5 The future of financial management is likely to be characterized by:
- 6 The three primary areas of financial management are:
- 7 Which of the following is not a financial ratio?
- 8 Which of the following financial statements shows a company's revenue and expenses over a specific period of time?
- 9 The auditing process is primarily concerned with:
- 10 Financial management is important because it:
- 11 Which financial statement provides information about a company's sources and uses of cash over a period of time?
- 12 Which financial statement shows a company's financial performance over a specific period of time?
- 13 Which financial statement reports a company's assets, liabilities, and equity at a specific point in time?
- 14 Which financial statement provides additional information about a company's financial performance and position?
- 15 Which financial statement shows a company's profitability over a period of time?
- 16 Which financial statement provides information about a company's liquidity, solvency, and profitability?
- 17 Which financial statement provides an independent auditor's opinion on a company's financial statements?





- 18 Which financial statement shows how a company's cash balance changes over a period of time?
- 19 Which financial statement reports a company's revenue, expenses, gains, and losses over a specific period of time?
- 20 Which of the following investments represents ownership in a company?
- 21 Which of the following investments represents a loan to a company or government?
- 22 A financial contract that derives its value from an underlying asset is known as:
- 23 Which of the following investments allows investors to pool their money together to purchase a diversified portfolio of stocks and bonds?
- 24 A type of investment that uses borrowed money and other techniques to amplify returns is known as:
- 25 Which of the following is not a characteristic of exchange-traded funds (ETFs)?
- 26 The foreign exchange market is primarily used for what purpose?
- 27 The value of a currency relative to another currency is known as:
- 28 What is the term for the practice of buying and selling currencies with the aim of profiting from fluctuations in their exchange rates?
- 29 Which of the following is not an example of an international market?
- 30 What is the formula to calculate the future value of an investment?
- 31 Which of the following refers to a series of equal payments made at equal intervals?
- 32 What is the process of gradually paying off a debt over time through regular payments?
- 33 What is the formula to calculate the yield to maturity (YTM) of a bond?
- 34 What is the present value of a stock with a future expected cash flow of \$100 per year for the next 5 years, assuming a discount rate of 10%?
- 35 Which of the following refers to the cost of capital that reflects the required rate of return on all of a company's assets?





- 36 Which of the following is a method of evaluating potential investments by calculating the net present value of their expected cash flows?
- 37 What is the future value of \$5,000 invested for 10 years at an annual interest rate of 8%, compounded annually?
- 38 Which of the following is a strategy for managing working capital by using short-term credit facilities to fund current assets?
- 39 What is the formula for calculating the payback period of an investment?
- 40 Which of the following is an example of debt financing?
- 41 Which of the following is NOT a leverage ratio?
- 42 The Weighted Average Cost of Capital (WACC) is the:
- 43 Which capital budgeting technique focuses on the time it takes to recover the initial investment?
- 44 Initial Public Offerings (IPOs) are primarily used to:
- 45 When a company acquires another company in a cash deal, it is an example of:
- 46 What is the debt-to-equity ratio of a company with \$500,000 in debt and \$1,500,000 in equity?
- 47 The Internal Rate of Return (IRR) is:
- 48 Which of the following is NOT a factor that affects the cost of capital for a company?
- 49 Which type of financing typically involves high-risk investments in startups or emerging companies?
- 50 Which of the following is not a benefit of effective inventory management?
- 51 What is the primary objective of cash management?
- 52 Which of the following is not a type of short-term financing?
- 53 Which of the following is a risk management technique used to reduce foreign exchange risk?
- 54 Which of the following is not a component of working capital?





- 55 What is the primary function of accounts receivable management?
- 56 What is a letter of credit?
- 57 What is a financial derivative?
- 58 What is the primary function of credit derivatives?
- 59 What is enterprise risk management?
- 60 What is the primary purpose of financial derivatives?
- 61 Which of the following is NOT a type of financial risk?
- 62 Hedging is a risk management technique that involves:
- 63 Which financial derivative gives the holder the right, but not the obligation, to buy or sell an asset at a specified price on or before a specified date?
- 64 A financial contract between two parties to exchange cash flows over time is called a:
- 65 Which of the following is NOT a type of credit derivative?
- 66 Insurance is a risk management technique that involves transferring risk to a/an:
- 67 Enterprise risk management is the process of:
- 68 Which of the following is NOT a step in the enterprise risk management process?
- 69 Which international organization provides loans and financial assistance to developing countries?
- 70 Which of the following is an example of currency risk?
- 71 What is the purpose of a letter of credit?
- 72 What is a multinational corporation?
- 73 What is the purpose of an international bank?





- 74 What is sovereign debt?
- 75 What is an emerging market?
- 76 What is the primary currency used in international trade?
- 77 What is the purpose of the International Monetary Fund (IMF)?
- 78 What is the primary source of funding for multinational corporations?
- 79 What is the role of the World Bank in international finance?

