

Maria plans to buy a motor; she borrows \$4500 at 10 percent annually compounded interest to be repaid in three equal annual installments.

Answer the following:

The loan payment in the second year:

1495

The interest paid in the first year:

450

The beginning principal of the second year

3140

The ending principal of the third year:

0

The present value of a \$33,000 perpetuity assuming an opportunity cost of 8% is _____.

- ☐ a. \$412,500
- ☐ b. \$33,000
- ☒ c. \$2640
- ☐ d. \$4,125,000

Clear my choice

Which of the following is true of a sole proprietorship and a partnership?

- ☒ a. In a partnership, income is exempted from tax up to \$10 million, whereas, in a corporation, income is taxed twice.
- ☐ b. Income from both forms of organizations is double-taxed.
- ☐ c. In a partnership, partners have unlimited liability, whereas, in a sole proprietorship, the owner has limited liability.
- ☐ d. In both forms, owners have unlimited liability.

Clear my choice

Zara Inc., had sales totaling \$10000000 in fiscal year 2020. Some ratios for the company are listed below. Use this information to calculate the dollar values of different income statement and balance sheet accounts.

Zara Inc.	
Year ended December 31, 2020	
Gross profit margin	0.8
Operating Profit margin	0.4
Net profit margin	0.09
Debt ratio	0.35
Current ratio	1
Total asset turnover	1
Average collection period	60

What is the company's gross profit?

What is the company's cost of goods sold?

What is the company's operating profit?

What is the company's operating expenses?

What is the company's earnings available for common stockholders?

What is the company's total assets?

Which of the following is a cash outflow?

- ☐ a. an increase in fixed asset
- ☐ b. an increase in inventory
- ☐ c. a decrease in stock holdings in other firms
- ☒ d. an increase in accounts payable

Clear my choice

You have been offered an investment opportunity that pays \$500 at the end of the first year, \$700 at the end of the second year, and \$200 at the end of the third and fourth years. What is the maximum amount of money you would pay to invest in this opportunity, given a rate of return of 6 percent?

- ☐ a. \$500
- ☒ b. \$1262.619
- ☐ c. \$1421.03
- ☐ d. \$1389.02

Clear my choice

Ford Motor Company has just ended the calendar year, making a sale in the amount of \$55,000,000. The company collected 30% of the sale amount in cash during the year. Ford's costs totaled \$12,000,000; the company paid 40% of the cost in cash during the year. The net profit and cash flow from this sale for the year are:

- ☐ a. \$16,500,000 and \$43,000,000, respectively
- ☐ b. \$11,700,000 and \$43,000,000, respectively
- ☒ c. \$43,000,000 and \$11,700,000, respectively
- ☐ d. \$43,000,000 and \$43,000,000, respectively

The present value of a \$33,000 perpetuity assuming an opportunity cost of 8% is _____.

- ☐ a. \$412,500
- ☒ b. \$2640
- ☐ c. \$4,125,000
- ☐ d. \$33,000

Clear my choice

Which of the following legal forms of organization has the highest level of Secrecy?

- ☐ a. partnerships
- ☒ b. sole proprietorships
- ☐ c. limited partnerships
- ☐ d. corporations

Clear my choice

You have been offered an investment opportunity that pays \$500 at the end of the first year, \$700 at the end of the second year, and \$200 at the end of the third and fourth years. What is the maximum amount of money you would pay to invest in this opportunity, given a rate of return of 6 percent?

- ☐ a. \$1262.619
- ☒ b. \$1421.03
- ☐ c. \$1389.02
- ☐ d. \$500

Clear my choice

Maria plans to buy a motor; she borrows \$5000 at 10 percent annually compounded interest to be repaid in three equal annual installments.

Answer the following:

The loan payment in the second year:

The interest paid in the first year:

The beginning principal of the second year

The ending principal of the third year:

You have lent your friend \$8000. Your friend offers you the following instead of paying the \$8000 now.

End of year	Cash flow
1	3100
2	2000
3	600
4	500

What is the present value of your friend's payments?

(Using an opportunity cost of capital of 7 percent)

Would you accept your friend's offer?

Write 1 in the blank if yes

Write 2 in the blank if No

Suppose you won a lottery 700000 interest of 0.1 percent, they offered you many choices

the first one is to take the 700000 immediately

- 2nd choice to take 110000 forever
- 3rd choice to take 130000 for 18 years beginning now.
- 4th choice is to accept 3000000 at the end of the 15 years
- 5th choice if you put 700000 in a saving account how much you will have after 10 years interest is compound quarterly

what is the value of the money from choice number 2?

what is the value of the money from choice number 3?

what is the value of the money from choice number 4?

what is the value of the money from choice number 5?

In April, a firm had an ending cash balance of 8.3. In May, the firm had total cash receipts of 4.5 and total cash disbursements of 2.7. The minimum cash balance required by the firm is 4.4. At the end of May, the firm had

Answer:

Determine the future value at the end of the final year if the below deposits are made at the beginning of each year into an account paying annual interest of 6%.

Beginning of year	Cash flow
1	19,000
2	9,800
3	32,000

Answer:

If Brian wants to buy a house that cost \$170000 the bank agreed to give him 80% of cost at 0.09 annual interest on a 15-year loan, what is his monthly payment?

what is the monthly loan payment ?

1379.40

what is the interest paid in the first month?

1020

what is the principal paid in the first month?

359.40

what is the interest paid in the second month?

1017.30

what is the principal paid in the second month?

362.10

what is the total interest that was paid over the life of the loan?

122292

With monthly compounding at 0.05 percent for 12 years, what is the approximate future value of a 15000 initial investment?

what is the future value of the continuous compounding?

ARAB Bank pays 0.056 percent, compounded weekly (based on 52 weeks), on an 8-month certificate of deposit. If you deposit \$10000 .

what is the effective annual rate

5.757

what is the amount of interest paid to you in 8 months?

350.43

Numeric

An analysis manager must choose between four Assets: A, B, D and E. Each asset costs \$40,000 and is expected to provide earnings over a three-year period as described below.

Asset	Year 1	Year 2	Year 3
Asset 1	\$21,000	\$15,000	\$6,000
Asset 2	9,000	15,000	21,000
Asset 3	3,000	20,000	19,000
Asset 4	6,000	12,000	12,000

Based on the wealth maximization goal, the financial manager would choose _____.

Select one:

- ☒ a. Asset 2
- ☐ b. Asset 4
- ☐ c. Asset 3
- ☐ d. Asset 1

Recovery year	percentage of total	
	3 years	5 years
1	33%	20%
2	45	32
3	15	19
4	7	12
5		12
6		5
7		
8		
9		
10		
11		
Totals	<u>100%</u>	<u>100%</u>

*These percentages have been rounded to the nearest whole percent for realism. To calculate the *actual* depreciation for tax purposes, use the percentages or directly apply double-declining balance depreciation

Select one:

- ☐ a. 5,760
- ☐ b. 1,036.80
- ☐ c. 2,073.60
- ☐ d. 3,456
- ☐ e. 12,780

Involves the comparison of different firms' financial ratios at the same point in time. This is referred to:

Select one:

- ☒ a. Cross-sectional analysis
- ☐ b. Technical analysis
- ☐ c. Time-series analysis
- ☐ d. Benchmarking

[Clear my choice](#)

Please find below Juicy Couture Company's financial information:

Juicy Couture Co. Financial Information		
	December 31, 2019	December 31, 2020
Net Income	\$6000	\$7000
Account receivables	900	1000
Accumulated depreciation	800	1500
Common stock	9000	9000
Paid-in capital	12000	14000
Retained earnings	4000	8000
Accruals	650	350
Inventory	600	1000

Calculate the amount of dividends paid by Juicy Couture Company in 2020.

Assuming that no assets were disposed of during 2020, what was the amount of depreciation expense?

Assuming that no common stock was repurchased during the year, what was the dollar value of the new common stock issued during 2020?

Calculate the company's cash flow from operating activities for the year 2020.

Numeric

Chris Columbus bought a house for 350000. He put 0.1 down payment and obtained an interest amortized loan for the balance at 0.12 annually interest for 30 years. The loan is paid monthly.

WHAT IS THE PERIODIC PAYMENT ?

WHAT IS THE INTERST IN THE FIRST PERIOD

WHAT IS THE PRINCIPLE IN THE SECOND YEAR

WHAT IS THE BOOK VALUE IN THE SECONF
PERIOD

WHAT IS THE TOTAL INTEREST

With monthly compounding at 0.05 percent for 20 years, what is the approximate future value of a 10000 initial investment?

what is the approximate future value of a 10000 initial investment?

An annual interest rate of 22% compounded quarterly. What is an effective annual rate?

Select one:

- ☐ a. 22.88%
- ☐ b. 23%
- ☒ c. 23.88%
- ☐ d. 24.88%

[Clear my choice](#)

Perpetuity makes payments of \$ 10000 every year, with the first payment coming one year from today. If the discount rate is .03 percent, what is the present value of the perpetuity?

Select one:

- ☐ a. \$333,333.00
- ☐ b. \$333,333.33
- ☐ c. \$3,333,333.33
- ☐ d. \$3,333,300
- ☐ e. \$3,333,330

Suppose that you invest \$ 1000 per month in a saving account for the next 15 years which earns 0.1 per year; what is the value of the investment today?

A&P is interested in predicting its income statement for the year 2021. The company estimates that its sales in 2021 will be \$5500000. Using the fixed and variable cost data, Find the following:

A&P Company Income statement For the Year Ended December 31, 2020	
Sales	2000000
Less: Cost of goods sold	
Variable cost	1450000
Fixed cost	10000
Gross profit	540000
Less: Operating expenses	
Selling expense (all variable)	20000
Utility expense (all variable)	34000
Depreciation expense (all variable)	6000
Operating profit	480000
Less: Interest expense (all fixed)	12000
Net profit before taxes	468000
Taxes (10%)	46800
Net profit after taxes	421200

Operating profit
Less: Interest expense (all fixed)

Time left 1:10:38

Net profit before taxes	468000
Less: Taxes (10%)	46800
Net profit after taxes	421200

A&P's Total cost of goods sold in 2021: 3345

A&P's Depreciation Expense in 2021:

1380

A&P's Total operating expenses in 2021

1380

A&P's Net profit after taxes in 2021:

9804

For the year ended December 31, 2020, Telecomm Corp had the following: cash flow from operating activities of \$30,000, cash flow from investment activities of - \$40,000, and cash flow from financing activities of \$15,000. The statement of cash flows would show a _____.

- ☐ a. net increase of \$10,000 in cash and marketable securities
- ☒ b. net increase of \$5,000 in cash and marketable securities
- ☐ c. net decrease of \$5,000 in cash and marketable securities
- ☐ d. net decrease of \$10,000 in cash and marketable securities

Clear my choice

Which of the following legal forms of organization has the highest level of Secrecy?

- ☐ a. partnerships
- ☒ b. sole proprietorships
- ☐ c. limited partnerships
- ☐ d. corporations

Clear my choice

Rula has purchased a new car for \$20,000. She paid \$3,000 as a down payment, and she paid the remaining balance by a loan from her hometown bank. Rula will pay off the loan by equal annual installments of \$10058. How many years will it take Rula to pay off the loan, given an opportunity cost of 12%?

Answer: 2

_____ analysis compares the company's current to past performance.

- ☐ a. profitability
- ☐ b. liquidity
- ☒ c. Time-series
- ☐ d. Cross-sectional

Clear my choice