

Biju Patnaik Institute of Information Technology & Management Studies, Bhubaneswar

Sub-Corporate Finance

2nd Semester MBA, 2024-26 Batch, Section-B

Quiz Test, Full Mark -10

Name: _____

Regn no: _____

1. Which of the following is the first step in capital budgeting process?
 - A. Final approval.
 - B. Screening the proposal.
 - C. Implementing proposal.
 - D. Identification of investment proposal

2. The period in which initial investment of a project is recovered is known as:
 - A. Internal Rate of Return
 - B. Net Present Value
 - C. Payback Period
 - D. Identification of investment proposal

3. Minimum rate of return required by a firm to maintain its market value.
 - A. Cost of capital.
 - B. Working capital
 - C. Equity capital.
 - D. None of the above.

4. Composition or make up of total fund invested in a company is known as:
 - A. Capital Budgeting.
 - B. Capital Structure
 - C. Cost of Capital.
 - D. None of the above.

5. Capital structure theories include followings except:
 - A. Net Income Approach
 - B. Net Operating Income Approach
 - C. Traditional Approach
 - D. Walter Approach

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6. Use of borrowed fund along with equity in a capital structure is called.
- A. Leverage
 - B. Working capital
 - C. Fixed Capital
 - D. None of the above
7. Earnings Before Interest & Tax is otherwise known as:
- A. Net loss
 - B. Net Income
 - C. Gain
 - D. None of the above
8. Trading on Equity is otherwise known as:
- A. Combined Leverage
 - B. Financial Leverage
 - C. Operating Leverage
 - D. None of the above
9. Use of fixed cost assets for maximizing the return of shareholders is known as:
- A. Combined Leverage
 - B. Financial Leverage
 - C. Operating Leverage
 - D. None of the above
10. Overall cost of capital is also known as:
- A. Weighted Average Cost of Capital
 - B. Cost of Preference Share Capital
 - C. Cost of Equity Share Capital
 - D. Cost of Debt Capital