

# **Biju Patnaik Institute of Information Technology & Management Studies, Bhubaneswar**

**Sub-Corporate Finance**

**2<sup>nd</sup> Semester MBA, 2024-26 Batch, Section-A**

**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