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|  **logo_unec** **AZƏRBAYCAN DÖVLƏT İQTİSAD UNİVERSİTETİ** |
| **BEYNƏLXALQ İQTİSADİYYAT MƏKTƏBİ** |
| **BEYNƏLXALQ İQTİSADİYYAT (İNGİLİS DİLLİ) KAFEDRASI** |

Kamal Dadashov

1082

Final exam questions.

1.Compound annualy,quarterly calculate FV

2.Calculate FV 10,50 and 100 years

3.Continuously compound and simple interest calculation

4.Complete the following, solving for the present value, PV:

5.Calculate PV

6.Compounded quarterly PV calculation.

7.Find duration based on data

8.Find our EAR

9.Find duration based on data

10.Under what conditions does the effective annual rate of interest (EAR) differ from the annual percentage rate (APR)?

11.As the frequency of compounding increases within the annual period, what happens to the relation between the EAR and the ARP?

12.PV calculation

13.Effective annual rate calculation

14.Calculate APR

15.Eternal financing raises the issue of asymmetry of information :Describe Bank-dominated financial system and security-dominated financial systems

16.Capital Market:Capital market instruments and cost of fund

17.Money Market:Money market instruments and cost of fund

18.T-bills return calculation methods:Based on example calculate using Discount rate and Investment return methods.

19.Financial Market Structure :role of primary and secondry market.Describe base on example.

20.Coughlin Motors is considering a project with the following expected cash flows:

Year Project Cash Flow

0 0$

1 0$

2 0$

3 0$

4 0$

The project's DR is xxx percent. What is the project's NPV?

21.

1. Calculate Current ratio and analyze change on years.

2. Calculate Quick ratio and analyze change on years.

 22.

1. Calculate working capital and analyze change on years.

2. Calculate Cash ratio and analyze change on years.

23.

1. Calculate ROA and analyze change on years.

2. Calculate ROE ratio and analyze change on years.

24.

1. Calculate Interest coverage ratio and analyze change on years.

2. Calculate ROS ratio and analyze change on years.

25.NPV calculation

26. Bond pricing calculation

27. Divident growth rate calculation

28. Bond pricing

29. Bond pricing calculation

30.Distinguish between sales risk and operating risk. Can firm have a high

 degree of sales risk and a low degree of operating risk? Explain.

31. Portfolio's expected return calculation

32. Bond semi-annual pricing calculation

33. What dividend policy do firms follow, and what items do they target in

 their policy (payout, yield, dividend level, dividend growth)?

34. Describe the dividend policy decision process. Be sure to discuss all the

 factors that influence the decision

35. Bond semi-annual pricing calculation

36. CAPM calculation

37. Stock price calculation

38. Bond semi-annual pricing calculation

39. Correlation calculation

40. Discuss the clean price of bond and its calculation methods.

41. Calculate the value stock via dividend discount model

42. What is the price of the following quarterly bond?

43. Discuss and explain the basic characteristics of primary market.

44. Investment analysis

45. Bond semi-annual pricing calculation

46. Market price of share

47. Bond pricing

48. What is the portfolio's beta?

49. CAPM calculation

50. Discuss the clean price of bond and its calculation methods.

51. Consider two bonds. Bond A has a face value of $ 1,000 and a coupon rate of 10%. Bond B has a face value of $ 1,000 and a coupon rate of 5%. Both bonds have the same maturity Which bond has the greater interest rate risk? Prove with example

52. Consider two bonds. Bond C has a face value of $ 1,000 and five years remaining to maturity.

Bond D has a face value of $ 1,000 and ten years remaining to maturity. Both bonds have the same coupon rate of 10%. Which bond has the greater interest rate risk? Prove with example

53. Degree of operating leverage

54. Degree of financial leverage

55. Degree of total leverage

56. CAPM

57. Cost of capital of equity.”

58. WACC calculation

59. WACC calculation

If the risk of the debt does not change, what is the expected return of the stock after this

transaction?

60. What is the beta of AOL’s business assets?

61. WACC calculation

62. WACC calculation

63. WACC calculation

64. WACC calculation

65. When a firm defaults on its debt, debt holders often receive less than 50% of the amount they are owed. Is the difference between the amount debt holders are owed and the amount they receive a cost of bankruptcy?

66. You work for a large car manufacturer that is currently financially healthy. Your manager feels that the firm should take on more debt because it can thereby reduce the expense of car

warranties. To quote your manager, “If we go bankrupt, we don’t have to service the warranties.

We therefore have lower bankruptcy costs than most corporations, so we should use more debt.”

Is he right?

67.During the Internet boom of the late 1990s, the stock prices of many Internet firms soared to

extreme heights. As CEO of such a firm, if you believed your stock was significantly overvalued,

would using your stock to acquire non-Internet stocks be a wise idea, even if you had to pay a

small premium over their fair market value to make the acquisition?

68. How does a futures market operates and how might it facilitate the trade in industrial and agricultural commodities?

69. Imagine you are the treasurer of a Japanese company exporting electronic equipment to the United States. Discuss how you would design a foreign exchange hedging strategy and the arguments you would use to sell the strategy to your fellow executives.

70. What is the purpose of the hedge fund strategies and how they can be applied?

71. Describe the perspectives of long and short hedging positions of futures contracts.

72. Discuss the limitations of risk management hedging techniques such as options, futures, currencies, commodities in the long term.

73. Describe role of option contracts. Call/pul and styles. With example

74. Describe role of currency and interest rate swap. With example

75. Describe differences of future and forward contracts with real case example.