



a 1911

GESTÃO FINANCEIRA II

Lic. - Undergraduate Degree

QUIZ (16.10.2017)

Name: Number:

Answer each question by drawing a circle around the letter that, in your opinion, corresponds to the correct solution.

1- Costs associated with the conflicts of interest between the bondholders and the shareholders of a corporation are called

- a) legal costs.
- b) bankruptcy costs.
- c) administrative costs.
- d) agency costs.

2- Which of the following statements is (are) true if the strong-form efficient market hypothesis holds?

- I) Analysts can easily forecast stock price changes.
- II) Financial markets are irrational.
- III) Stock returns follow a particular pattern.
- IV) Stock prices reflect all available information.

- a) I only
- b) II only
- c) I and III only
- d) IV only

3- If the efficient market hypothesis holds, investors should expect:

- I) to earn a normal rate of return on their investments
- II) to be able to pick stocks that will outperform the market
- III) to receive a fair price for their security

- a) I only
- b) II only
- c) III only
- d) I and III only



4- If the abnormal return for a stock during the first week is +4% and +6% during the second week, what is the abnormal return for the two-week period?

- a) 10.24%
- b) 5.00%
- c) 24.00%
- d) 10.00%

5- Company X has 500 shares outstanding. It earns \$1,500 per year and announces that it will use all \$1,500 to repurchase its shares in the open market instead of paying dividends. Calculate the number of shares outstanding at the end of year 1, after the first share repurchase, if the required rate of return is 15%.

- a) 497.39
- b) 477.50
- c) 434.78
- d) 499.71

6- Even if both dividends and capital gains are taxed at the same ordinary income tax rate, the effect of each type of tax is different because:

- a) capital gains are actually taxed, while dividends are taxed on paper only.
- b) dividends are taxed when distributed, while capital gains are deferred until the stock is sold.
- c) both dividends and capital gains are taxed every year.
- d) both A and C.



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Answer each question by drawing a circle around the letter that, in your opinion, corresponds to the correct solution.

1- The financial goal of a corporation is to

- a) maximize profits.
- b) maximize sales.
- c) maximize the value of the firm for the shareholders.
- d) maximize managers' benefits.

2- Which of the following statements is (are) false if the strong-form efficient market hypothesis holds?

- I) Analysts can easily forecast stock price changes.
 - II) Financial markets are irrational.
 - III) Stock returns don't follow a particular pattern.
 - IV) Stock prices reflect all available information.
- a) I only
 - b) I and II only
 - c) III and IV only
 - d) I, II and III only

3- If the efficient market hypothesis holds, investors would not expect:

- I) to receive a fair price for their security.
 - II) to be able to pick stocks that will outperform the market.
 - III) to earn a normal rate of return on their investments.
- a) I only
 - b) II only
 - c) III only
 - d) I and II only



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4- If the abnormal return for a stock during the first week is +4% and +3% during the second week, what is the abnormal return for the two-week period?

- a) 7.00%
- b) 3.50%
- c) 7.12%
- d) 12.00%

5- Company X has 200 shares outstanding. It earns \$1,200 per year and announces that it will use all \$1,200 to repurchase its shares in the open market instead of paying dividends. Calculate the number of shares outstanding at the end of year 1, after the first share repurchase, if the required rate of return is 15%.

- a) 194.78
- b) 177.50
- c) 173.91
- d) 199.86

6- If dividends are taxed more heavily than capital gains, then investors:

- a) should be willing to pay more for stocks with low dividend yields.
- b) should be willing to pay more for stocks with high dividend yields.
- c) should be willing to pay the same for stocks regardless of their dividend yields.
- d) should be willing to pay more for stocks having infrequent share repurchases.



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Name: Number:

Answer each question by drawing a circle around the letter that, in your opinion, corresponds to the correct solution.

1- Costs associated with the conflicts of interest between the bondholders and the shareholders of a corporation are called

- a) administrative costs.
- b) legal costs.
- c) agency costs.
- d) bankruptcy costs.

2- Which of the following statements is (are) true if the strong-form efficient market hypothesis holds?

- I) Stock prices reflect all available information.
- II) Analysts can easily forecast stock price changes.
- III) Stock returns follow a particular pattern.
- IV) Financial markets are irrational.

- a) II only
- b) II and III only
- c) IV only
- d) I only

3- If the strong market efficient hypothesis holds, investors should expect:

- I) to receive a fair price for their security
- II) to earn a normal rate of return on their investments
- III) to verify efficiency in weak and semi-strong form

- a) I only
- b) I and II only
- c) I, II and III
- d) III only



4- If the abnormal return for a stock during the first week is +3% and +6% during the second week, what is the abnormal return for the two-week period?

- a) 9.18%
- b) 4.50%
- c) 9.00%
- d) 18.00%

5- Company X has 130 shares outstanding. It earns \$3,000 per year and announces that it will use all \$3,000 to repurchase its shares in the open market instead of paying dividends. Calculate the number of shares outstanding at the end of year 1, after the first share repurchase, if the required rate of return is 12%.

- a) 116.07
- b) 109.40
- c) 112.00
- d) 129.96

6- Even if both dividends and capital gains are taxed at the same ordinary income tax rate, the effect of each type of tax is different because:

- a) both dividends and capital gains are taxed every year.
- b) capital gains are actually taxed, while dividends are taxed on paper only.
- c) both A and B.
- d) dividends are taxed when distributed, while capital gains are deferred until the stock is sold.



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QUIZ (16.10.2017)

Name: Number:

Answer each question by drawing a circle around the letter that, in your opinion, corresponds to the correct solution.

1- The financial goal of a corporation is to

- a) maximize managers' benefits.
- b) maximize the value of the firm for the shareholders.
- c) maximize profits.
- d) maximize sales.

2- Which of the following statements is (are) false if the strong-form efficient market hypothesis holds?

- I) Stock returns don't follow a particular pattern.
 - II) Analysts can easily forecast stock price changes.
 - III) Stock prices reflect all available information.
 - IV) Financial markets are irrational.
- a) III and IV only
 - b) II and IV only
 - c) I and II only
 - d) I only

3- If the efficient market hypothesis holds, investors would not expect:

- I) to be able to pick stocks that will outperform the market
 - II) to earn a normal rate of return on their investments
 - III) to receive a fair price for their security
- a) I only
 - b) II only
 - c) I and II only
 - d) III only



4- If the abnormal return for a stock during the first week is +5% and +3% during the second week, what is the abnormal return for the two-week period?

- a) 15.00%
- b) 8.00%
- c) 8.15%
- d) 4.00%

5- Company X has 200 shares outstanding. It earns \$1,000 per year and announces that it will use all \$1,000 to repurchase its shares in the open market instead of paying dividends. Calculate the number of shares outstanding at the end of year 1, after the first share repurchase, if the required rate of return is 15%.

- a) 173.91
- b) 195.65
- c) 177.50
- d) 199.83

6- If dividends are taxed more heavily than capital gains, then investors:

- a) should be willing to pay more for stocks with high dividend yields.
- b) should be willing to pay more for stocks having infrequent share repurchases.
- c) should be willing to pay more for stocks with low dividend yields.
- d) should be willing to pay the same for stocks regardless of their dividend yields.