1. Winslow Enterprises has total assets of $11,700, net working capital of $1,400, owner's equity of $5,000 and long-term debt of $3,500. What is the value of the current assets?
   a. $1,800
   b. $2,100
   c. $4,600
   d. $4,800
   e. $7,200

2. A firm has $61,300 in receivables and $391,400 in total assets. The firm has a total asset turnover rate of 1.4 and a profit margin of 6.3 percent. What is the days' sales in receivables?
   a. 40.23 days
   b. 40.83 days
   c. 43.40 days
   d. 43.67 days
   e. 56.32 days

3. Ten years ago, Frederico deposited $2,500 into an account. Five years ago, he added an additional $2,500 to his account. He earned 8 percent, compounded quarterly, for the first 5 years and 12 percent, compounded annually, for the last 5 years. How much money does Frederico have in his account today?
   a. $9,018.68
   b. $10,952.72
   c. $11,192.81
   d. $11,408.17
   e. $12,997.43

4. The Idealistic Insurance Company offers a perpetuity which pays annual payments of $20,000. This contract sells for $250,000 today. What is the interest rate?
   a. 8.00 percent
   b. 9.60 percent
   c. 10.03 percent
   d. 11.35 percent
   e. 11.48 percent

5. Nano Seconds is expected to pay an annual dividend of $1.00 a share this coming year. They are expected to increase their dividend by 50 percent per year for the following two years and then maintain a constant dividend growth rate of 4 percent per year. What is the value of this stock today if the required return is 14 percent?
   a. $16.99
   b. $17.05
   c. $18.69
   d. $18.96
   e. $19.34
6. A portfolio has an expected return of 9 percent. This portfolio contains two stocks and one risk-free security. The expected returns on stock X is 6 percent and on stock Y 14 percent. The risk-free rate is 4 percent. The portfolio value is $60,000 of which $15,000 is the risk-free security. How much is invested in stock X?
   a. $12,250
   b. $14,500
   c. $17,250
   d. $18,000
   e. $18,750

7. The James Co. is considering a project with an initial cost of $6.2 million. The project will produce cash inflows of $1.8 million a year for five years. The firm uses the subjective approach to assign discount rates to projects. For this project, the subjective adjustment is +2 percent. The firm has a pre-tax cost of debt of 6.7 percent and a cost of equity of 9.4 percent. The debt-equity ratio is .6 and the tax rate is 35 percent. What is the net present value of the project?
   a. $710,053
   b. $733,333
   c. $742,067
   d. $790,909
   e. $811,006

8. M&M Proposition I, without taxes, states that:
   a. the cost of equity rises when financial leverage rises.
   b. the weighted average cost of capital is constant.
   c. firms should borrow to the point where the tax benefit from debt is equal to the cost of the increased probability of financial distress.
   d. it is completely irrelevant how a firm arranges its finances.
   e. financial risk is determined by the debt-equity ratio.

9. An American Depositary receipt is defined as a security:
   a. which has been deposited in an interest-bearing account at a U.S. bank.
   b. issued outside of the U.S. which represents shares of a U.S. stock.
   c. issued in the U.S. which represents shares of a foreign stock.
   d. which has a guarantee of payment from a U.S. bank.
   e. issued in multiple countries but denominated in U.S. currency.

10. You can exchange $1 for either .7707 euros or .5331 British pounds. What is the cross rate between the pound and the euro?
    a. £.5331/€1
    b. £.5431/€1
    c. £.5505/€1
    d. £.6809/€1
    e. £.6917/€1
1. Based on the following information, calculate the sustainable growth rate for United company:
   Profit margin=10.2%
   Capital intensity ratio=0.70
   Debt-equality ratio=0.50
   Net income=30,000
   Dividends=6,000
   What is ROE here?

2. Consider the following information

<table>
<thead>
<tr>
<th>State of Economy</th>
<th>Probability of state of Economy</th>
<th>Rate of return</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Stock A</td>
</tr>
<tr>
<td>Boom</td>
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<td>0.14</td>
</tr>
<tr>
<td>Bust</td>
<td>0.40</td>
<td>0.08</td>
</tr>
</tbody>
</table>

   (1) What is the expected return on an equally weighted portfolio of these three stocks?
   (2) What is the variance of a portfolio invested 25 percent in A and B and 50 percent in C

3. 假設目前股價 100 元，股價漲、跌幅為 20% 與 10%，買權履約價 110 元，兩期之後到期，無風險利率 5%，以二項式模型求買權價格。

4. A 公司股息 1.5，國庫券利率 2%，市場投資組合利率 6%，目前現金股利 2 元，現金股利成長率 2%。(1) 試計算投資人投資 A 股票要求的必要報酬率。(2) 根據股利折現模式，試計算 A 股票目前的合理價格。(3) 若 A 公司目前股價為 32 元，是被低估或高估？是否應該買進？

5. 聯合公司為一零成長公司，未舉債下權益資金成本為 10%，公司預期 EBIT 為 20 萬元，公司稅率為 35%，公司股東個人所得稅率為 25%。公司決定對外舉債 100 萬元，而債權持有人的利息所得稅率為 30%。根據 MM 資本結構理論，試問：(1) 在考慮公司稅率下，公司的價值為多少？(2) 考慮公司稅下，假設負債成本為 7%，請問公司在舉債後的權益資金成本為何？(3) 根據 Miller 理論（考慮個人所得稅），請問在進行舉債後的公司價值為何？