



# Finzomania '13

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1. Who is the controller of Stock Exchanges?

- a) RBI
- b) SEBI
- c) NSE
- d) Finance Minister

2. The type of equity voting right that grants one vote for each share of equity owned is referred to as:

- a) proxy voting
- b) statutory voting
- c) cumulative voting

3. In order to obtain an income of Rs. 650 from 10% stock at Rs. 96, one must make an investment of:

a) Rs 3100

b) Rs 6240

c) Rs 6500

d) Rs 9600

4. The history of modern banking begins in

a) Italy

b) Germany

c) United Kingdom

d) Switzerland

5. Wealth management services are offered by?

a) Retail Banks

b) Commercial Banks

c) Private Banks

6. Beta is best described as:

a) Slope of the security market line

b) Correlation of returns with those of market portfolio

c) Covariance of returns with market portfolio expressed in terms of variance of market returns

d) None of these

7. A firm's debt-to-equity ratio is most likely to increase as a result of:

a) Extra dividend

b) Stock dividend

c) Purchase of a machine for cash

d) None of these

8. Which famous stock exchange recently changed their logo?

a) NASDAQ

b) LSE

- c) Dow Jones
- d) None of these

9. The financial statement that reports the assets, liabilities and stockholder's equity at a specific date is the?

- a) balance sheet
- b) income statement
- c) statement of cash flows

10. Identify the logo?



- a) Kingsway Financial
- b) Royal Bank of Scotland
- c) IDBI Bank

11. What business term comes from the French phrase that means "pledge to the death"?

- a) Arbitrage
- b) Mortgage
- c) Insurance

12. Identify the logo?



- a) Bank of America
- b) World Bank
- c) Royal Bank of Canada

13. Which is the first nationalised bank for women that is expected to be operational from November 2013?

- a) Indira Gandhi Bank
- b) Bhartiya Mahila Bank
- c) Women Bank of India

14. Which Indian Non-Banking Financial Company (NBFC) got in principal approval from Reserve Bank of India for establishing White Label ATMs (WLAs) in June 2013?

- a) Reliance Capital
- b) Bajaj Finsery
- c) L&T Finance
- d) Muthoot Finance

15. The company's net profit margin is 5%, its total asset turnover ratio is 1.5 times and its financial leverage ratio is 1.2 times. Its return on equity is:

- a) 9%
- b) 7.5%
- c) 3.2%

16. We all finance enthusiast read ET everyday. It contains a very popular American comic strip Dilbert written and drawn by Scott Adams. According to Dilbert, what is the modern term that epitomises the joy of criticising other people's work?

17. Which of the following is least likely an example of asset backed security?

- a) Collateralized Debt Obligations
- b) Commercial Paper
- c) Mortgage pass-through securities

18. This lady is associated with HSBC. Apart from this which other organization does she preside?



19. What is Buy Back ?

- a) Initial Public Offering
- b) Buy back is a stock related term which refers to the buying back of stocks or bonds by the issuing company
- c) Issuing new company shares

20. Which of the following is not a type of insurance?

- a) Business Interruption insurance
- b) Annulment insurance
- c) Dual trigger insurance

21. What is the claim to fame of Sanchit Katiyal who is a CA from Hyderabad ?

22. Name the person who succeeded the personality shown in the picture?



23. What does 3 X 9 FRA denotes?

- a) This instrument expires in 90 days and is based on 270 days LIBOR
- b) This instrument expires in 90 days and is based on 180 days LIBOR
- c) This instrument begins in 90 days and matures in 180 days.

24. An investor purchases one share of stock for Rs.85. Exactly one year later, the company pays a dividend of Rs. 2 per share. This followed by two more annual dividends of Rs.2.25 & Rs.2.75 in successive years. Upon receiving the third dividend, the investor sells his share for Rs.100. The money weighted rate of return on the investment is closest to:

- a) 7.97%
- b) 8.15%
- c) 8.63%

25. The following information related to XL company Ltd. For the year ended 31st March, 2013 are available to you:

Equity share capital of Rs 10 each = Rs 25 lakh  
11% Bonds of Rs 1000 each = Rs 18.5 lakh  
Sales = Rs 42 lakh  
Fixed cost (Excluding Interest) Rs 3.48 lakh  
Financial leverage Rs .39  
Profit-Volume Ratio 25.55%  
Income Tax Rate Applicable 35%

**You are required to calculate:**

- (a) Operating Leverage;
- (b) Combined Leverage; and
- (c) Earning Per Share