



Examples of multiple choice questions

for

Specialized knowledge assessment test (Proba 1)

Finance and Banking – English line

Bachelor's Degree Examination

Some practical questions:

A project, with an internal rate of return of 10%, delivers constant annual cash-flows of \$200, over the next four years. The investment outlay of this project is:

- A. \$ 633.97
- B. \$ 800
- C. \$ 727.27
- D. \$ 546.42

In a particular year, the return on equity was 4.7% and the debt ratio was 52.86%. Compute the return on assets.

- A. 4.71%
- B. 2.22%
- C. 3.26%
- D. 5.29%

Some theoretical questions:

For a profitability index of less than 1, the net present value is:

- A. negative
- B. positive
- C. higher than 1
- D. between 0 and 100%

The break even point is:

- A. inversely proportional to total fixed costs
- B. directly proportional to the unit contribution margin
- C. directly proportional to total fixed costs
- D. inversely proportional to the target income

Good luck!

The Finance Department