Lesson #9 Quiz

Graded Quiz • 30 min

Due Nov 23, 4:59 PM +09

Congratulations! You passed!

TO PASS 80% or higher

Keep Learning

GRADE

100%

Lesson #9 Quiz

LATEST SUBMISSION GRADE

100%

1.

Question 1

Market capitalization is calculated by using:

1 / 1 point

The earnings of a company.

The price per share and the total number of outstanding shares.

The total number of employee of a company.

The dividends of a company.

Correct

Market capitalization is simply the product of these two quantities.

Question 2
The greater an investor's ownership in a corporation is, the greater:
1 / 1 point
is the total number of shares he/she owns with respect to the total number of shares outstanding.
is the amount of taxes to be paid by the company.
is the total number of shares he/she owns.
is the profitability of the company.

Correct

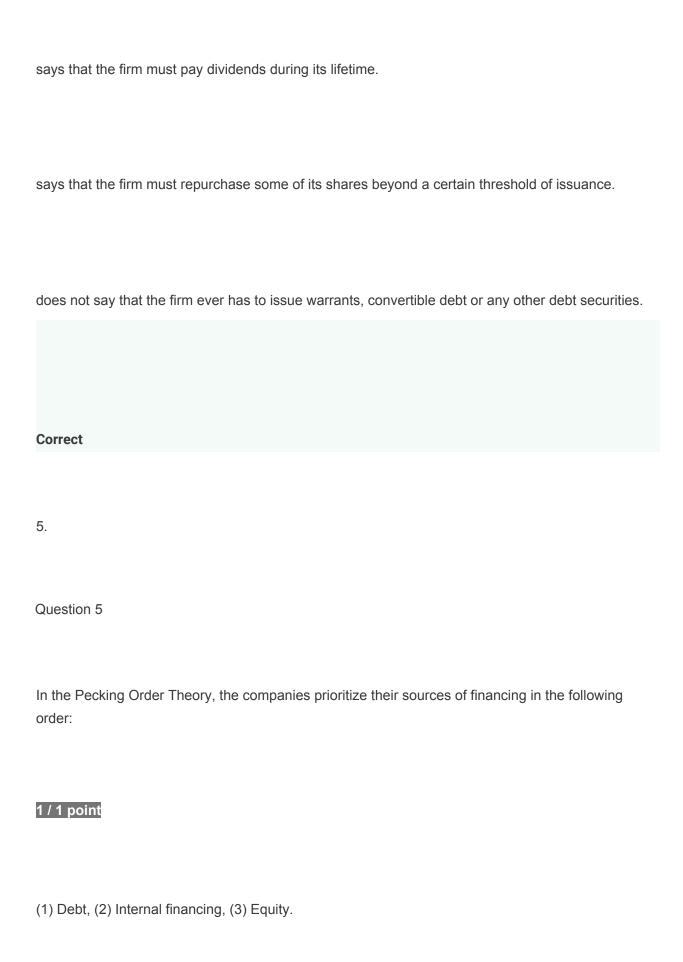
3.

A firm must make its dividend payments toits	before it makes any dividend payments to
1 / 1 point	
the members of the board	
bondholders	
preferred shareholders	
common shareholders	
bondholders	

Question 3

preferred shareholders

its Chief Executive Officer
preferred shareholders
Correct
4.
Question 4
The basic corporate charter: (check all that apply)
1 / 1 point
does not say that the firm ever has to raise debt. The board decides.
Correct

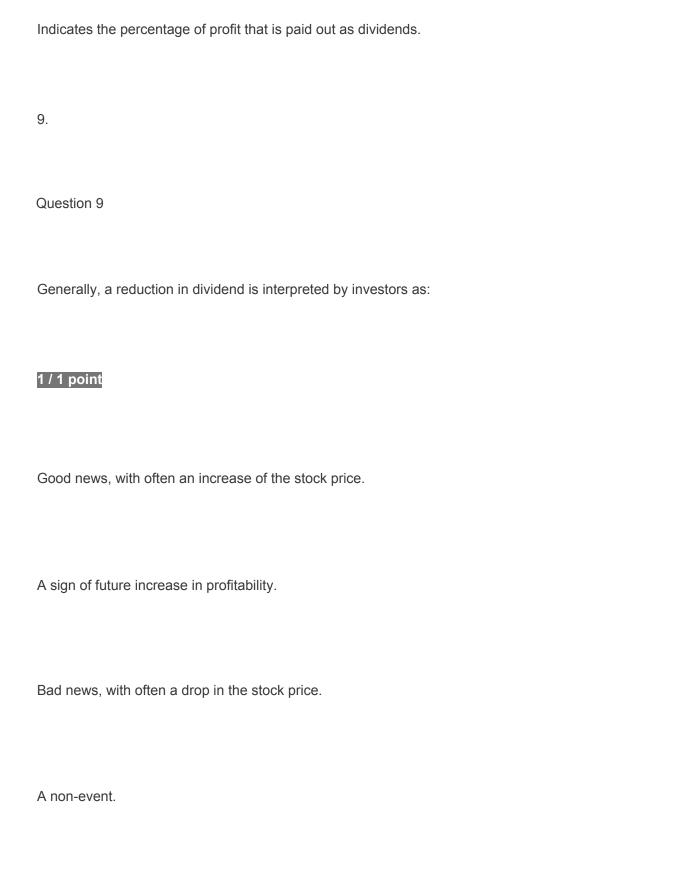


(1) Internal financing, (2) debt issuance, (3) Equity.
(1) Equity, (2) Debt issuance, (3) Internal financing.
(1) Equity, (2) Internal financing, (3) Debt.
Correct
6.
Question 6
A dilution is:
1 / 1 point
A reduction in the ownership percentage of a share of stock caused by the issuance of new shares.

A sale of an investor's shares.
The issuance of new debt by a company.
An increase in the ownership percentage of a share of stock caused by the issuance of new shares.
Correct
Confect
7.
Question 7
A share remurch as a isy (sheek all that apply)
A share repurchase is: (check all that apply)
1 / 1 point
The reverse of a dilution.

Correct
An alternative to paying dividends in order to return cash to investors.
Correct
A program by which investors buy back their previously sold shares of a given company.
A program by which a company buys backs its own shares from the marketplace or from its shareholders (at a fixed price).
Correct
8.
Question 8

The price-to-earnings ratio: (check all that apply)
1 / 1 point
Effectively shows the number of years of earnings at which the company is valued given the current level of the share price.
Correct
Confect
Shows how much an investor is willing to pay for the stock of the company for each dollar of the
company's earnings.
Correct
Measures the funds provided by creditors versus the funds provided by owners.



Correct	
Usually dividend cuts or omissions are bad news, because investors infer trouble	