



Question 1

3 pts

The main function of the financial system is the channeling of funds from deficit units to surplus units

轉虧為盈

☒ True

☐ False

7.59
Functions:

1.) Channeling funds

2.) Efficiency

3.) Price determination

4.) Risk sharing

5.) Liquidity

6.) Financial stability

7.) Information aggregation & coordination

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Question 2

3 pts

"Open outcry" (Floor trading) is a method of dealing in OTC markets

☐ True

☒ False

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Question 3

3 pts

Securities are tradable, negotiable financial instruments

☒ True

☐ False

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Question 4

5 pts

the balance sheet presents a picture of what the firm ____ (assets) and what it ____ (liabilities)

☐ owes/owns

☒ owns/owes

◀ Previous

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Question 5

3 pts

A Eurobond is a bond denominated in Euros

☐ True

☒ False

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Question 6

4 pts

Firms in France and the EU present financial statements according to

☒ IFRS

☐ US GAAP

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Question 7

4 pts

Which of the following is a ^{有約束力的義務} legally binding obligation but not a ^{對公司資產的剩餘索取權} residual claim on a company's assets:

- ☐ Debt
- ☒ Equity

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Question 8

4 pts

Examples of OTC markets include all of the following EXCEPT:

- ☐ Foreign exchange market
- ☒ Futures market
- ☐ Bond markets
- ☐ Interbank market

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Question 9

4 pts

Hong Kong Land issuing a bond denominated in USD in the European market which is NOT offered for sale in the US is an example of a:

- ☐ Domestic USD issue
- ☐ Foreign Issue
- ☒ Eurobond

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Question 10

3 pts

The MTRC (Hong Kong's subway and train operator) issues a USD denominated bond in the US market. This is considered an:

- ☒ External issue
- ☐ Internal issue

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Question 11

3 pts

The MTRC (Hong Kong's subway and train operator) issues a USD denominated bond in the US market., the MTRC is doing a:

- ☐ Domestic USD issue
 - ☒ Foreign Issue
 - ☐ Eurobond
- Handwritten notes: } Internal (next to Foreign Issue), → External (next to Eurobond)*

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Question 12

3 pts

The MTRC (Hong Kong's subway and train operator) issues a USD denominated bond in the US market., the BIS will record this issue as a:

- ☐ Domestic issue
- ☒ International issue

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Question 13

4 pts

The fundamental principle of finance is that the true or correct price of an asset equals the _____ of all cash flows that the owner of the asset expects to receive during its life.

- ☐ asset value
- ☐ future value
- ☒ present value
- ☐ projected value

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Question 14

4 pts

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The Asian Development Bank is an example of:

- ☒ Sovereign
- ☐ Supranational
- ☐ Quasi-Sovereign

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Question 15

3 pts

Miss Apple So sells 100 Hutchinson shares on the HKEx. This is a:

- ☐ Primary market transaction
- ☒ Secondary market transaction

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Question 16

4 pts

A corporation acquires new funds only when its securities are sold in the

- ☐ secondary market by a commercial bank.
- ☒ primary market by an investment bank.
- ☐ secondary market by a stock exchange broker
- ☒ secondary market by an investment bank.



Question 17

4 pts

Intermediaries who are agents of investors and match buyers with sellers of securities are called

- ☒ dealers
- ☐ brokers



Question 18

4 pts

Swire properties issues a HKD bond to HK investors. The placing banks are targeting individual retail investors in HK. This is a:

- ☐ Private issue
- ☒ Public issue

**Question 19****3 pts**

In a mutual organization, the _____ are the shareholders

- ☐ Suppliers
- ☐ Employees
- ☒ Customers

**Question 20****4 pts**

With an interest rate of 5.3 percent, the present value of \$6,000 received 7 years from now is approximately _____ (answer to nearest dollar, no need to input \$ sign, eg, if answer is 3381.624, then you input 3382)

4,180

**Question 21****5 pts**

With an interest rate of 5.4 percent, the present value of a security that pays \$900 next year, \$1,200 three years from now and \$1,350 four years from now is _____

(answer to nearest dollar, no need to input \$ sign, eg, if answer is 3381.624, then you input 3382)

2,973

**Question 22****3 pts**

When a company is losing money, its earnings are

- ☒ negative
- ☐ positive

Question 23

6 pts

Dan buys a property for \$230,000. He is offered a 25-year loan by the bank, at an interest rate of 3.7% per year. What is the annual loan payment Dan must make? (in dollar, to 2d.p., eg if your answer is \$1234.5678, key in 1234.57)

Question 24

5 pts

Helen wants to buy a car. The bank offers a loan at annual rate of 10% for 5 years with equal annual payments. If Helen can only save \$5000 per year to pay the installments on the loan, How much she could borrow to buy the car? (answer to nearest dollar, no need to input \$ sign, eg, if answer is 3381.624, then you input 3382)

Question 25

3 pts

When a start-up raises equity capital from investors, it

- ☐ Issues bonds
- ☐ Borrows a loan from the bank
- ☒ Issues shares

Question 26

3 pts

All securities listed on HKEX are actively traded

☒ True☐ False

It can be actively managed/passively managed



Question 27

3 pts

When Alibaba issues shares, which type of market does it use

☒ ECM

☐ DCM