

Allgemeine Klausurtipps

Produktion

Investition & Finanzierung

Aufgabe 1

Three main types of decision a financial manager can make - Investment - Funding - Liquidity

Joint Venture between Chrysler and Fiat - Investment: to assess the viability of the jointventure - Finance How to fund the joint venture - Liquidity management

Aufgabe 2

Evaluate the following statement: "Managers should not focus on the current share price because doing so will lead to - an overemphasis on short-term profits - at the expense of long-term profits."

- this has always been a criticism of companiesmanagers have focused on maximizing share prices because it was linked to their persoanl remuneration example crunch of 2008
- Some of the banks which where ardest hit had the best share price returns in the years

Aufgabe 3

Many companies view a stock market listing as an important objective. Why do you think this is the case? Why do you think Google listed on a Stock exchange?

- the financial markets are one of serveral acenues through which companies acan access funding for their operations
- the financial markets are massive
- cheap source of captial
- Google listed on the stock market because ot needed extensice funding at an acceptable price lebvel

Aufgabe 4

The 2007 annual report for anglo American plc, the worldÄS leading glovbal mining comapny, shows that the firm had \$ 34.042 billion in non-current assets and \$ 9.962 billion in corrent assets it reportet \$ 11.480 billion in current liabilities and 4 8.665 billion in non-current liabilites. how much is the current companies Equity.

Equity = Total Assetes - Total Liabilities = (9.662 + 34.0442) - (11.480 + 8.665) = 23.859 billion

Aufgabe 5

AA plcannounces that it plans that it plans to increase oits non-current assetes by 10 billion. if the company wishes to maintain its ratio of total liabilites to quity, how much long-term debt should it use?

Step 1 Determine liability/equity ratio: Liability / Eqwuity = 20.145/23.856 = 0.844

Step 2 TO find the current weightings of debt and equity in the new funding, you must actually calculate a new ratio, liability/assets: $\text{liability}/\text{total assets} = 20.145/44.004 = 0,457799$

Step 3 The debt is raised is thus 4.5779 billion and equity is 5.4200 billion = 10 billion

Step 4 Check the new liability/equity ratio new level of liabilities = 24.7229 billion new level of equity = \$ 29.2810 billion

The new ratio is: $\$ 24.7229 \text{ billion} / 29.2810 \text{ billion} = 0,844$ - the same as before

Aufgabe 6

Your company has just purchased a forklift truck, and has two payment options: - pay 10,00 Swedish kroner every month for 12 months - pay 1.200.000 Swedish kroner at the end of the year Which option would you choose?

The payment of SEK 1,200.000 in 12 months is less because the cash flow is after the majority of SEK 100,000 monthly payments (Assume the monthly interest rate is 1 percent)

Aufgabe 7

assessing the viability of two projects: - project A has a 25 % chance of losing 1,000,000 a 50 % chance of breaking even, and a 25 % chance of making 1,000,000 - Project B has 25 % chance of losing 2,000,000 a 50% chance of breaking even and a 25 % chance of making 2,000,000 profit Which project should you choose? Why?

ZWEIFELHAFT!!!

You would choose the less risky project because both have the same expected value. In this case you would choose project A because the risk of losing and gaining money is less than in project B.

Aufgabe 8

you suddenly own a company that is losing 10.000 per week. at the rate things are going the company won't have any cash left in six months to pay creditors.

what are your goals as a financial manager? is this consistent with what you have read in this chapter? explain!

- balance between the short and long term objectives
- when the company is in trouble short term liquidity becomes more important
- the objective of the firm will change from maximizing shareholders' wealth to firm survival and bankruptcy avoidance
- other options such as asset sell-off can also be undertaken

Aufgabe 9

- A lot of current assets in relation to its current liabilities and non-current assets
- further investigation would be needed to determine what is driving the increase in current assets
- it looks as if the firm is less risky
- Current assets could compromise cash

Aufgabe 10

Explain why the corporate governance of a firm sole proprietorship should be different from that for a partnership, which in turn should be different from a limited corporation.

A sole proprietorship does not need formal governance structures since all business activities are concentrated on one individual in partnership semiformal corp gov structs are present such as a partnership agreement or deed a limited corporation is a separate legal entity and needs corporate gov structs