

**PUNE VIDYARTHI GRIHA'S  
COLLEGE OF SCIENCE & TECHNOLOGY  
REGULAR EXAMINATION SEPTEMBER 2020  
TYBMS : S.F.M ( SEMESTER – V)  
SUBJECT: S.F.M**

1. What is  $K_e$ , the cost of capital if the Price Earning Ratio is 8?
  - a) 0.10
  - b) 0.125
  - c) 0.15
  - d) 0.80
  
2. When the board of directors wishes to return the capital originally contributed by shareholders as a dividend, it is called a \_\_\_\_\_ dividend, and may be a precursor to shutting down the business.
  - a) Cash Dividend
  - b) Stock Dividend
  - c) Liquidating Dividend
  - d) Scrip Dividend
  
3. Market Value of the firm is calculated by the following formula.
  - a) Total Number of shares x EPS
  - b) Total Number of shares x DPS
  - c) Total Number of shares x MPS
  - d) Total Number of shares / DPS
  
4. Part of Income that is distributed to shareholders.
  - a) Profit
  - b) Loss
  - c) Dividend
  - d) Retained Profit

5. As per \_\_\_\_\_ policy Company does not pay regular dividend to shareholders.

- a) Regular Dividend Policy
- b) Stable Dividend Policy
- c) No Dividend
- d) Irregular Dividend Policy

ANS: d) Irregular Dividend Policy

6. XBRL stands for

- a) Extra Business Regulation Ltd.
- b) Excursive Business Reporting Law.
- c) Extra-ordinary Business Reporting Language.
- d) Extensible Business Reporting Language.

7. Under Walter Dividend Policy, if  $r > k_e$ , the firm should have \_\_\_\_\_ payout.

- a) Zero Dividend
- b) 100% Dividend
- c) Any Dividend
- d) 50% Dividend

8. Price of the at the end of the year when the dividend is not declared.

- a)  $P_0(1 + K_e) - D_1$
- b)  $P_0(1 / K_e) - D_1$
- c)  $P_0(1 * K_e) - D_1$
- d)  $P_0(1 - K_e) - D_1$

9. Under Walter Dividend Policy, if  $r = k_e$ , the firm should have \_\_\_\_\_ payout.

- a) Zero Dividend

- b) 100% Dividend
- c) Any Dividend
- d) 50% Dividend

10. The institute authorizing to develop XBRL + agronomies in India is.

- a) ICAI
- b) MCA
- c) SEBI
- d) IRDA

11. Under Walter Dividend Policy, if  $r < k_e$ , the firm should have \_\_\_\_\_ payout.

- a) Zero Dividend
- b) 100% Dividend
- c) Any Dividend
- d) 50% Dividend

12. Relationship between dividend per share and earning per share is:

- a) Dividend Payout Ratio
- b) Dividend Yield Ratio
- c) Price Earning Ratio
- d) Book Value Per Share

13. Dividend policy does not affect the market value of the company

- a) Walter
- b) Modigliani Miller
- c) Gordon
- d) Pecker

14. P. In valuation formula the denotation  $P_0$  stands for the prevailing Market Price of the share.

Q. In valuation formula the denotation  $P_0$  stands for the prevailing Face Value of the share.

- a) (P) is True but (Q) is false
- b) (P) False but (Q) is True
- c) Both the statement are wrong
- d) Both the statement are correct

15. Relevance theory of dividend is supported by

- a) Walter
- b) Modigliani Miller
- c) Gordon
- d) Pecker

16. Irrelevance theory stating that dividend policy does not affect the market value of the company is supported by

- a) Walter
- b) Pecker
- c) Gordon
- d) Modigliani Miller

17. XBRL International is supported by more than 60 organizations from which sectors.

- a) Public Sector & private sector
- b) Primary sector
- c) Only Private sector
- d) Only Public sector

18. P. Taxonomies are developed by Bank, Financial Institution and other groups that needs to define information that is to be reported.

Q. Taxonomies are developed by regulators, accounting standards setters, government agencies and other groups that needs to define information that is to be reported.

- a) (P) is True but (Q) is false
- b) (P)False but (Q) is True
- c) Both the statement are wrong
- d) Both the statement are correct

19. \_\_\_\_\_ takes away a company's ability to hide financial tricks in the books.

- a) XBRL
- b) HTML
- c) PDF
- d) JSON

20. A stock dividend is a \_\_\_\_\_

- a) Issuance of non-monetary dividend to investors, rather cash or stock payment.
- b) To pay certain cash to the investors holding certain amount of stock on the specific date
- c) Issuance by a company of its common stock to its shareholders without any consideration
- d) Issues a promissory note to its shareholders to pay them at a later date

21. \_\_\_\_\_ Policy is what the company uses to decide how much it will payout to the shareholders in the form of dividends.

- a) Dividend Policy

- b) Shareholders Policy
- c) Taxation Policy
- d) Policy of Control

22. Guidelines for the issue of bonus shares are issued by

- a) RBI
- b) Company Law
- c) Income Tax Act
- d) SEBI

23. Dividend which is declared before declaration of Final Dividend is called as

- a) Final Dividend
- b) Interim Dividend
- c) Advoc Dividend
- d) Temporary Dividend

24. XBRL can do

- a) Calculation & Verificatio
- b) Verification & Investigation
- c) Investigation & calculation
- d) Only investigation

25. XML stands for

- a) Extensible mark-up Language
- b) Extensible marketing Language
- c) Extensive Marketing Lesson
- d) Extensible mark-up Lesson
- e)