

# Placement Exam

## MBA 620- Financial Analysis and Markets



### MBA 620 Exam Details:

- 45 Multiple Choice
- Open book
- Financial Calculator Permitted
- Time Limit: 4 hours
- Passing score= 70%
- Text: Fundamentals of Financial Management by Eugene Brigham –Dryden Press 6<sup>th</sup> edition  
See Chapters 1-14 and 17

### MBA 620 Exam Content:

It is recommended that students have a working knowledge of a financial calculator (suggested calculator – Texas Instruments BA II Plus) to figure future values, present values, and internal rates of return during the exam.

Exam takers should focus on the following content:

- Business Entities
  - Proprietorship
  - Partnership
  - Corporation
- Primary goals of publically-owned firms
- Agency problems
- Examining ratios
- Determine changes in cash flows
- Return on Equity
- Risk and Return
  - Beta and Standard Deviation Analysis
  - Required Rate of Return
  - Systematic and Market risk
- Interest Rates
- Determine future value, present value, rate of return, and period payments for the following
  - Annuities
  - Loan Amortization
  - Uneven cash flows
  - Bond Payments
  - Stock
- Price-Earnings Ratio
- Cost of Capital/ Cost of Equity
- Capital Asset Pricing Model (CAPM)
- Net Present Value Analysis (NPV)
  - Firms selection of projects based on NPV and cash flows

- Weighted Cost of Capital (WACC) and Capital Structure
- Dividend Policy
- Common stock and Investment banking
- Working Capital