

## FINC 4532 Spring 2005 Exam 3 answers

### Closed

1. The management of a firm's current liabilities and current assets
2. character, capacity, capital, collateral, and condition
3. B
4. Stated objectives, assumptions, strategies, contingency plans, budgets, financial programs, and financials pro forma statements
5. B
6. a buffer stock that prevents stock outages
7. A
8. A
9. B
10. B
11. B
12. statistical technique where several financial characteristics are combined to form a single score to represent a customer's credit worthiness
13. B
14. A

### Open

- 1a. 120,000 and 9.5%                      1b. 132,596.69 and 10.5%  
1c. 126,315.79 and 10.0%                1d. 139,226.52 and 10.5% or 139,575.46 and 11.08%  
2a. 37.24% and 44.59%                  2b. 38.83% and 45.70%  
2c. 12.29% and 13.01%                  2d. 15.8% and 17.07%

3.

Sales	1308
Oper Expens	728.12
Depreciation	210
Ebit	369.88
Interest Exp	34.99
Ebt	334.89
Taxes	103.81
NI	231.08

### Balance Sheet

Cash	262	AP	316.10
AR	185.30	NP	175.31
Inv	438.18	Accruals	170.04
TCA	885.48	Current Liabilities	661.45
Net Plant	730	Long Term Bonds	382
		Common Stock	285
		Retained Earnings	287.03
Total Assets	1615.48	Total Liab.&Equity	1615.48