MGT411 # 1st Quiz(MGT411)

**Please correct me, if you find any mistake.*

We have different option to invest the money, similarly we may deposit to earn the interest such Interest rate exist owing to -----.

Opportunity cost
Fixed cost
Variable cost
Semi- variable cost

If the bond price is less than its face value, what will be the relationship among current yield, coupon rate and YTM?

Current yield < coupon rate < Yield to Maturity
Yield to maturity > current yield >coupon rate
Coupon Rate > Current Yield > Yield to Maturity
Coupon Rate = Current Yield = Yield to Maturity

Arbitrageurs in the stock markets and in foreign exchange markets are classified under

Risk neutral
Risk averse
Risk lover
Value at risk

If probability of occurrence is exactly zero then which of the following statement is true?

Event will occur
Event will not occur
Event must occur
All of the given options

When the bond demand curve shift the leftward what will happen?

Bond demand increases
Bond demand decreases
Bond demand constant

All of above

You deposit money into your bank account, which of the following entry Bank will pass in its books of account?

Debit cash account
Debt your account
Reverse the entry
Debit assets account

The amount an investor receives at maturity is called ----------.

Face value
Principal value
Par value
All of the given options

Yield to Maturity (YTM) is combination of -----------.

Current Yield and market price
Current Yield and Capital gain
Current Yield and Capital
Current Yield and capital investment

When equilibrium point of bond demand & supply shift to the rightward, what will happen to the quantity of band and its price?

Bond price will increase along with quantity demand increases
Bond price may increase or decrease and quantity demand increases
Bond price may increase or decrease and quantity demand decreases
Bond price decreases and quantity demand increase

Core principles of Money and Banking include each of the following except?

People act rationally
Time has value
Information is the basis for decisions
Risk requires compensation