Question #1 of 9

Question ID: 1573572

Joplin Corporation reports the following in its year-end financial statements:

- Net income of $43.7 million.
- Depreciation expense of $4.2 million.
- Increase in accounts receivable of $1.5 million.
- Decrease in accounts payable of $2.3 million.
- Sold equipment for $15 million.
- Purchased equipment for $35 million.

Joplin's free cash flow to the firm (FCFF) is closest to:

A) $39 million.

B) $24 million.

C) $28 million.

Question #2 of 9

Question ID: 1573571

The RR Corporation had cash flow from operations of $20 million. RR purchased $5 million in equipment and sold $3 million of equipment during the period. What is RR's free cash flow to equity for the period?

A) $15 million.

B) $18 million.

C) $22 million.

Question #3 of 9

Question ID: 1573568

A common-size cash flow statement is *least likely* to provide payments to employees as a percentage of:

A) revenues for the period.

B) operating cash flow for the period.

C) total cash outflows for the period.

Question #4 of 9

Question ID: 1573574

A common-size cash flow statement is *least likely* to show each cash inflow as a percentage of:

A) revenue.

B) all cash inflows.

C) total cash flows.

Question #5 of 9

Question ID: 1573566

How does decreasing accounts payable turnover affect a company's cash flow from financing activities and is this source of cash sustainable?

	Financing cash flow	Sustainable source
A)	Increase	No
B)	No impact	No
C)	No impact	Yes

Question #6 of 9

Question ID: 1573569

Which of the following *best* describes a ratio that measures a firm's ability to acquire long-term assets with cash flows from operations, and a performance ratio, respectively?

	Acquire assets with CFO	Performance ratio
A)	Investing and financing ratio	Cash-to-income ratio

B)	Reinvestment ratio	Cash-to-income ratio
C)	Reinvestment ratio	Debt payment ratio

Question #7 of 9

Question ID: 1573570

Selected information from the most recent cash flow statement of Thibault Company appears below:

Cash collections	€8,900
Cash paid to suppliers	(€3,700)
Cash operating expenses	(€1,500)
Cash taxes paid	(€2,400)
Cash from operating activities	**€1,300**
Cash paid for plant and equipment	(€2,600)
Cash interest received	€700
Cash dividends received	€600
Cash from investing activities	**(€1,300)**
Cash received from debt issuance	€2,000
Cash interest paid	(€400)
Cash dividends paid	(€600)
Cash from financing activities	**€1,000**
Total change in cash	**€1,000**

Thibault's reinvestment ratio for this period is *closest* to:

A) 0.50.

B) 0.75.

C) 1.00.

Question #8 of 9

Question ID: 1573573

David Chance, CFA, is analyzing Grow Corporation. Chance gathers the following information:

Net cash provided by operating activities	$3,500
Net cash used for fixed capital investments	$727
Cash paid for interest	$195
Income before tax	$4,400
Income tax expense	$1,540
Net income	$2,860

Grow's free cash flow to the firm (FCFF) is *closest* to:

A) $2,640.

B) $2,900.

C) $2,260.

Question #9 of 9

Question ID: 1573567

Consider the following:

Statement #1: One approach to presenting a common-size cash flow statement is to express each inflow of cash as a percentage of total cash inflows and each outflow of cash as a percentage of total cash outflows.

Statement #2: Expressing each line item of the cash flow statement as a percentage of revenue is useful in forecasting future cash flows.

Which of these statements regarding a common-size cash flow statement is (are) CORRECT?

A) Only statement #1 is correct.

B) Only statement #2 is correct.

C) Both statements are correct.