



## Theory and Practice MCQs

Question Appeared in: ModelOff 2013 Round 2

Time Allocated: 15 minutes

### QUESTIONS

#### QUESTION 1

If an \$18,000 asset is depreciated using the diminishing balance (double declining) method, and assuming an effective life of 5 years, which is closest to the asset's book value after 3 years?

- a. \$12,000
- b. \$8,500
- c. \$4,000
- d. \$2,000

#### QUESTION 2

Which of the following does not act to impact a business's Free Cash Flow for the Firm?

- a. Changes in the Net Working Capital position
- b. A loan amortization payment falling due
- c. Interest rate increases on its debt facilities during the year
- d. A reduction in the tax rate

#### QUESTION 3

\$10,000 is deposited in an account at the start of the year. The account earns a gross interest rate of 7.5% per annum. How much more will the account balance be at the end of the year if interest is compounded monthly versus if interest is compounded quarterly? Assume interest is calculated on a 30/360 basis. Pick the closest answer.

- a. \$2.50
- b. \$5.00
- c. \$15.00
- d. \$25.00



## ModelOff 2013 Questions and Answers

### QUESTION 4

**Do Fair Value and Market value mean the same thing?**

- No, Fair Value may include some other value to a buyer that the open market does not recognise thereby making Fair Value greater than Market Value in some cases
- No, Fair Value comes into play before an active market is identified and as such will almost always be less than what can be achieved at market
- Yes, Fair Value is ultimately the same as Market Value as it is used up until the selling party decides its asking price after which point it is referred to as the asset's asking Market Value
- Yes, Fair Value is the same as Market Value which is ultimately the same as the asset's current replacement value

### QUESTION 5

**Which of the following number formats will cause Excel to display 0 as "-", 10.22 as "10.22x", -1.3 as "(1.3x)" and any text value as Error?**

- `#,##0.0x;(#,##0.0x);"-";"Error"`
- `#,##0.0?x;(#,##0.0?x);"-";"@_-"`
- `#,##0.0&"x";(#,##0.0&"x");"-";"Error"`
- `#,###.##x;(#,###.##x);"-";"Error"`

### QUESTION 6

**What does the following function return: OFFSET(A1,4,3,2,3)?**

- Range D5:F6
- The value in cell G7
- The function will return a #VALUE error unless it is used in an array formula
- The function will return a #VALUE error as it has invalid parameters



## ModelOff 2013 Questions and Answers

### QUESTION 7

A loan facility with a \$30m facility limit begins on 1 January 2013 and incurs a commitment fee of 1% per annum on the daily undrawn balance. Drawdowns of \$10m occur on each of 1 February, 1 March and 1 April 2013, at which point the loan is fully drawn. The total commitment fee incurred is closest to:

- a. \$5,000
- b. \$50,000
- c. \$150,000
- d. \$500,000

### QUESTION 8

Instead of using "`=RANDBETWEEN(1,10)`", which of the following formulas will also produce a randomly generated integer between 1 and 10 inclusive, with approximately 10% probability for each integer?

- a. `=INT(10*RAND())+1`
- b. `=ROUND(9*RAND(),0)+1`
- c. `=ROUND(10*RAND(),0)`
- d. `=ROUND(10*RAND(),0)+1`

### QUESTION 9

In Excel, which of the following is not a valid name to use as a Defined Name?

- a. SUM
- b. ME
- c. R
- d. N

### QUESTION 10

Which of the following is not a valid way of referring to a range of cells in VBA?

- a. `[C5:E5]`
- b. `Range("C5:E5")`
- c. `["C5:E5"]`
- d. `Range(Cells(5,3),Cells(5,5))`



## ModelOff 2013 Questions and Answers

### QUESTION 11

Cell A1, A2, A3 and A4 contain either a 1 or 0. In Excel 2013, which of the following formulas will return TRUE only when one of the following two conditions are satisfied but not both:

condition (i): both A1 and A2 contain 1

condition (ii): A3 and A4 are both 0

- a. =OR(AND(A1,A2),NOT(XOR(A3,A4)))
- b. =XOR(AND(A1,A2,NOT(A3),NOT(A4)))
- c. =XOR(AND(A1,A2),NOT(AND(A3,A4)))
- d. =XOR(AND(A1,A2),AND(NOT(A3),NOT(A4)))

### QUESTION 12

Which one of the following Excel functions can be used without the need for other functions to generate a one dimensional array of sequential values for use within a single cell array formula?

- a. OFFSET
- b. ROW
- c. INDEX
- d. COLUMNS

### QUESTION 13

In VBA the use of which of the following constructs is considered poor programming practice?

- a. If Then Goto
- b. If Then Else
- c. Do Loop Until
- d. For Next



## ModelOff 2013 Questions and Answers

### QUESTION 14

**Which of these functions is a volatile function in Excel?**

- a. MATCH
- b. ROWS
- c. AREAS
- d. INDIRECT

### QUESTION 15

**Is it possible to instruct Excel to recalculate ONLY the active worksheet and not the rest of the workbook?**

- a. Yes, it can be done with a keyboard shortcut but not with VBA
- b. Yes, it can be done with VBA but not with a keyboard shortcut
- c. Yes, it can be done with either a keyboard shortcut or with VBA
- d. No, it is not possible



## Answers

1	C
2	B
3	B
4	A
5	D
6	A
7	B
8	A
9	C
10	C
11	D
12	B
13	A
14	D
15	C