THE INSTITUTE OF BANKERS PAKISTAN
ISQ Examination (Winter-2011)
Project Financing
Associateship

Q.1 Please write the alphabet of the selected choice in the answer column:

Q.2 State True or False in the answer column. Give brief reason for your selection in the space provided below the question:

Q.3 Fill in the blanks:

Q.4 Suppose that a company uses equity, preference, and debt in the following proportions: 50, 10, and 40. If the component costs of equity, preference, and debt are 16 percent, 12 percent, and 8 percent respectively, what is the weighted average cost of capital?

Q.5 What is the required rate of return on a company's equity if the risk-free rate is 10 percent, expected return on market portfolio is 18 percent and beta of the equity of the company is 1.5?

Q.6 A) Why do companies want to go public?

Q.6 B) What are the main components of a Prospectus?

Q.7 Discuss the key features of the term loans.

Q.8 Why do financial institutions need an effective early warning system to monitor projects financed by them?

Suggest various tools which can be used for effective feedback.

Q.9 What preliminary investigations would a prudent banker make before extending a loan against the security of immovable property?

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