

Validate Your Skills with CIMA CIMAPRA19-F03-1 F3 Financial Strategy Exam Dumps

CIMA PRACTICE TEST **Financial Strategy**

Section: In this respect, CIMAPRA19-F03-1 Study Guide is obviously your best choice. CIMAPRA19-F03-1 certification training is an advantage because it saves you a lot of time and improving your learning efficiency.

How to book CIMA F3: Financial Strategy Exam

- Step 1: Visit the [Official website](#)
- Step 2: Book the exam via the CIMA Financial Strategy Exam
- Step 3: Pay the exam with a credit/debit card.

CIMA F3 Financial Strategy Sample Questions (Q44-Q49):

NEW QUESTION #44
A company's Board of Directors is assessing the likely cost of financing future new projects using either equity or debt. The directors are uncertain of the effects on key variables. Which THREE of the following statements are true?

- A. Retained earnings have no risk, and is therefore the lowest form of equity finance.
- B. Equity finance will reduce the overall financial risk.
- C. Debt finance has a higher cost than equity finance.
- D. Equity finance will increase earnings to a higher total future dividends.
- E. Debt finance is always preferable to equity finance.
- F. The choice between using either equity or debt will have no impact on the amount of expected income tax payable.

Answer: B,C,D

NEW QUESTION #45
An oil company has recently plans an issue of new ordinary shares to the general public to raise funds for its current project. The following data are given:
• 10 million ordinary shares are currently in issue with a market value of \$2 each share.
• The new shares will be issued at \$3.50 million and is expected to give a positive NPV of \$1 million.
• The issue will be priced at a 10% discount to the current share price.
What gain or loss per share will accrue to the existing shareholders?

- A. Gain of \$0.10
- B. Loss of \$0.08
- C. Gain of \$0.18
- D. Loss of \$0.35

Answer: A

NEW QUESTION #46
A company has 10% convertible bonds in issue. The bonds are convertible in 5 years time at a value of 20 ordinary shares per \$100 nominal value bond.
Each share

CIMA CIMAPRA19-F03-1 Reliable Test F3 Financial Strategy Certification Exam Practice Test Online

P.S. Free 2026 CIMA CIMAPRA19-F03-1 dumps are available on Google Drive shared by ActualTestsIT: <https://drive.google.com/open?id=1EdUZgmu2PzUwSkvgrqzPs1qiOg205VIp>

While attempting the exam, take heed of the clock ticking, so that you manage the CIMA CIMAPRA19-F03-1 Questions in a time-efficient way. Even if you are completely sure of the correct answer to a question, first eliminate the incorrect ones, so that you may prevent blunders due to human error.

CIMA CIMAPRA19-F03-1 (F3 Financial Strategy) Certification Exam is a globally recognized certification exam designed for finance professionals who want to enhance their skills and knowledge in the field of finance strategy. F3 Financial Strategy certification exam is offered by the Chartered Institute of Management Accountants (CIMA), a leading professional body that provides training and certification programs for finance professionals worldwide. The CIMAPRA19-F03-1 Exam is aimed at individuals who want to develop their strategic financial management skills and demonstrate their expertise to their employers and clients.

[**>> CIMAPRA19-F03-1 Reliable Test Online <<**](#)

CIMAPRA19-F03-1 - F3 Financial Strategy –The Best Reliable Test Online

The free demo CIMAPRA19-F03-1 practice question is available for instant download. Download the CIMA CIMAPRA19-F03-

1 exam dumps demo free of cost and explores the top features of CIMA CIMA PRA19-F03-1 Exam Questions and if you feel that the F3 Financial Strategy exam questions can be helpful in CIMA PRA19-F03-1 exam preparation then take your buying decision.

CIMA F3 Financial Strategy Sample Questions (Q48-Q53):

NEW QUESTION # 48

A venture capitalist invests in a company by means of buying:

- * 9 million shares for \$2 a share and
- * 8% bonds with a nominal value of \$2 million, repayable at par in 3 years' time.

The venture capitalist expects a return on the equity portion of the investment of at least 20% a year on a compound basis over the first 3 years of the investment.

The company has 10 million shares in issue.

What is the minimum total equity value for the company in 3 years' time required to satisfy the venture capitalist's expected return?

Give your answer to the nearest \$ million.

\$ million.

Answer:

Explanation:

34, 35, 34000000, 35000000

NEW QUESTION # 49

M is an accountant who wishes to take out a forward rate agreement as a hedging instrument but the company treasurer has advised that a short-term interest rate future would be a better option.

Which of the following is true of a short-term interest rate

- A. Interest rates have gone down the price of the future will have fallen.
- B. **It must be kept for the whole duration of the contract**
- C. It can be tailored to the exact needs of the company.
- D. The date is flexible and the position can be closed quickly and easily.

Answer: B

NEW QUESTION # 50

A company is funded by:

- * \$40 million of debt (market value)
- * \$60 million of equity (market value)

The company plans to:

* Issue a bond and use the funds raised to buy back shares at their current market value.

* Structure the deal so that the market value of debt becomes equal to the market value of equity.

According to Modigliani and Miller's theory with tax and assuming a corporate income tax rate of 20%, this plan would:

- A. increase the company's asset beta.
- B. increase the market value of the company's equity.
- C. decrease the company's equity beta.
- D. **increase shareholder wealth**.

Answer: D

Explanation:

According to Modigliani and Miller with tax, the value of a levered firm is:

$$VL = VU + T_c \times DV_L = V_U + T_c \times D$$

where T_c is the corporate tax rate and D is the market value of debt. With corporate income tax, interest is tax-deductible, so increasing debt creates a tax shield and increases total firm value.

Initially:

Debt = 40

Equity = 60

Total value = 100

Tax rate = 20%.

If the company increases debt and uses the proceeds to buy back shares until debt equals equity, then:

New structure: $D=ED=ED=E$

Total firm value rises because $Tc \times DT_c$ \times $DTc \times D$ increases.

The extra value (PV of the additional tax shield) accrues to shareholders, even though the accounting market value of equity after the buyback may fall in absolute terms; shareholders have also received cash from the buyback, so their total wealth increases.

Business risk (and therefore asset beta) is unchanged; however equity beta would rise, not fall, because of higher financial leverage. Therefore the only correct statement is that the plan would increase shareholder wealth - answer C.

NEW QUESTION # 51

A company generates and distributes electricity and gas to households and businesses.

Forecast results for the next financial year are as follows:

	\$ million
Revenue from electricity sales at \$2.00 per Kilowatt	300
Costs	200
Net profit	100

The Industry Regulator has announced a new price cap of \$1.50 per Kilowatt.

The company expects this to cause consumption to rise by 10% but costs would remain unaltered.

The price cap is expected to cause the company's net profit to fall to:

- A. \$47.5 million profit
- B. \$20.0 million profit
- C. \$27.5 million profit
- D. \$35.0 million loss

Answer: A

NEW QUESTION # 52

G purchased a put option that grants the right to cap the interest on a loan at 10.0%. Simultaneously, G sold a call option that grants the holder the benefits of any decrease if interest rates fall below 8.5%.

Which THREE possible explanations would be consistent with G's behavior?

- A. G is concerned that interest rates may fall below 10%.
- B. G is concerned that interest rates may rise above 10.0%.
- C. G's strategy is to ensure that its interest rates lie between 8.5% and 10.0%.
- D. G is willing to risk the loss of savings from a fall in interest rates if that offsets the cost of limiting the cost of rises.
- E. G is concerned that interest rates may rise above 8.5%.

Answer: B,C,D

Explanation:

G has effectively created an interest rate collar:

Buys a cap at 10% (protects against high rates).

Sells a floor at 8.5% (gives up benefit if rates fall too low, to reduce cost).

So:

A - True: G sacrifices gains from falling rates to help fund the cap.

B - True: the structure keeps G's effective borrowing rate between 8.5% and 10%.

C - True: the main concern is rates rising above 10%, hence the cap.

D and E misinterpret the direction of the concern.

NEW QUESTION # 53

• • • • •

This cost-effective exam product is made as per the current content of the CIMA examination. Therefore, using ActualTestsIT the actual CIMA CIMAPRA19-F03-1 dumps will guarantee your successful attempt at the CIMA CIMAPRA19-F03-1 Certification Exam. For the convenience of customers, we have designed CIMA CIMAPRA19-F03-1 pdf dumps, desktop CIMA CIMAPRA19-F03-1 practice exam software, and CIMA CIMAPRA19-F03-1 web-based practice test.

Latest Test CIMA PRA19-F03-1 Simulations: <https://www.actualtestsit.com/CIMA/CIMA-PRA19-F03-1-exam-prep-dumps.html>

P.S. Free & New CIMA PRA19-F03-1 dumps are available on Google Drive shared by ActualTestsIT:

<https://drive.google.com/open?id=1EdUZgmu2PzUwSkvgrqzPs1qiOg205VIp>

