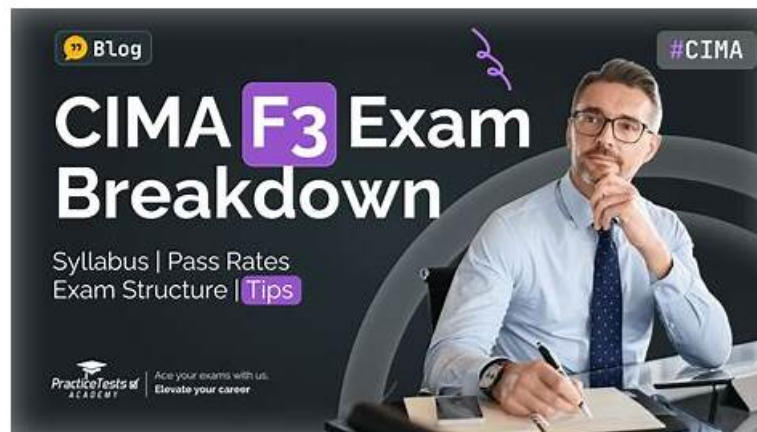


# F3 Passleader Review, F3 Exam Details



What's more, part of that DumpsReview F3 dumps now are free: <https://drive.google.com/open?id=1pvR77KKNz5FR4bggy6tNRLuFiuUrmQjn>

The F3 Financial Strategy (F3) practice questions (desktop and web-based) are customizable, meaning users can set the questions and time according to their needs to improve their discipline and feel the real-based exam scenario to pass the CIMA F3 Certification. Customizable mock tests comprehensively and accurately represent the actual F3 Financial Strategy (F3) certification exam scenario.

CIMA CIMAPRA19-F03-1 (F3 Financial Strategy) Certification Exam is a comprehensive examination that assesses a candidate's knowledge and understanding of financial strategy. F3 exam is designed to test the candidate's ability to apply financial concepts and principles to real-world situations in order to make informed decisions that drive business success. F3 exam covers a wide range of topics, including financial analysis, risk management, investment strategies, and financing options.

CIMA F3 Exam covers various topics, including the concept of financial strategy, the analysis and evaluation of financial performance, long-term financing decisions, as well as risk management concepts. The core idea is that students will be able to apply these concepts and techniques to real-world financial scenarios. The knowledge and skills acquired through F3 exam can be useful when working on projects or advising clients.

>> F3 Passleader Review <<

## CIMA F3 Exam Details | New F3 Test Sample

Our F3 preparation practice are highly targeted and have a high hit rate, there are a lot of learning skills and key points in the exam, even if your study time is very short, you can also improve your F3 exam scores very quickly. Even if you have a week foundation, I believe that you will get the certification by using our F3 Study Materials. We can claim that with our F3 practice engine for 20 to 30 hours, you will be ready to pass the exam with confidence.

## CIMA F3 Financial Strategy Sample Questions (Q418-Q423):

### NEW QUESTION # 418

Company W is a manufacturing company with three divisions, all of which are making profits:

- \* Division A which manufactures cars
- \* Division B which manufactures trucks
- \* Division C which manufactures agricultural machinery

Company W is facing severe competitive pressure in all of its markets, and is currently operating with a high level of gearing. Company W's latest forecasts suggest that it needs to raise cash to avoid breaching loan covenants on its existing debt finance in 6 months' time. In a recent strategy review, Divisions A and B were identified as being the core divisions of Company W. The management of Division C is known to be interested in the possibility of a management buy-out.

Company Z is known to be interested in making a takeover bid for Company W's truck manufacturing division. A rival to Company W has recently successfully demerged its business, this was well received by the Financial markets. Which of the following exit strategies will be most suitable for company W?

- A. Sale of Division B to Company Z
- B. Closure of Division
- C. Management buy-out of Division C
- D. Demerger of Division C

Answer: C

#### NEW QUESTION # 419

A company which is forecast to experience a strong growth in its profitability is evaluating a potential bond issue. Which of the following changes in corporate income tax and in bond yields would make the bond issue more attractive to the company?

- A. A decrease in corporate tax and a decrease in bond yields.
- B. A decrease in corporate tax and an increase in bond yields.
- C. An increase in corporate tax and an increase in bond yields.
- D. An increase in corporate tax and a decrease in bond yields.

Answer: D

Explanation:

Debt becomes more attractive when:

Corporate tax increases # larger tax shield on interest.

Bond yields decrease # lower pre-tax cost of debt.

So the combination that makes a bond issue more attractive is higher tax and lower yields.

#### NEW QUESTION # 420

AA is considering changing its capital structure. The following information is currently relevant to AA:

Cost of equity	10%
Cost of debt (post tax)	4%
WACC	7.6%
Gearing (debt / (debt + equity))	40%
Rate of corporate income tax	20%

The gearing ratio raising the new debt finance will be 50%.

Which THREE of the following statement about the impact of AA's change in capital structure are true under Modigliani and Miller's capital structure theory with tax.

- A. The WACC increase above 7.6
- B. The cost of debt will increase above 4%
- C. The cost of debt remain unchanged at 4%
- D. The cost of equity will decrease below 10%
- E. The cost of equity will increase above 10%
- F. The WACC will decrease below 7.6%

Answer: A,F

#### NEW QUESTION # 421

Company A operates in country A and uses currency AS. It is looking to acquire Company B which operates in country B and uses currency BS. The following information is relevant:

Current exchange rate	BS 1 = AS 0.3
Rate of inflation in country A	3%
Rate of inflation in country B	5%
Company B's WACC	8%
Company B's cost of equity	10%

The assistant accountant at Company A has prepared the following valuation of company B's equity, however there are some errors in his calculations.

	Year 1	Year 2	Year 3 and each year thereafter
Forecast free cash flow to all investors B\$ million	50	60	70
Forecast exchange rate	B\$ 1 = A\$ 0.3058	B\$ 1 = A\$ 0.3117	B\$ 1 = A\$ 0.3178
Forecast free cash flow to all investors A\$ million	15.29	18.70	22.25
Discount Factor @ 8%	0.926	0.857	0.794
Present Value A\$ million	14.16	16.03	17.67

Value of Company B's equity = 14.16 + 16.03 + 17.67 = AS47.86 million

Company B has B\$5 million of debt finance.

Which of the following THREE statements are true?

- A. The calculations show Company B's entity value, not its equity value.
- B. The conversion into AS is incorrect as the assistant accountant should have divided by the exchange rate and not multiplied.
- C. Cash flow to all investors should be discounted at Company B's cost of equity of 10% rather than its WACC of 8%.
- D. The valuation is understated because forecast cash flows beyond year 3 have been ignored.
- E. The forecast exchange rates are incorrect as they show the BS strengthening and it should be weakening.

**Answer: A,D,E**

Explanation:

C - Correct: only valuing three years of forecast cash flows ignores the continuing value of the business, so the valuation is understated.

D - Correct: based on typical CIMA F3 treatment, the forecast FX path should reflect expected weakening of the foreign currency (often due to higher inflation), but the assistant's rates instead imply a strengthening B\$, so the FX forecasts are inconsistent.

E - Correct: the assistant has effectively valued the business (entity value) by discounting cash flows to all providers of finance. To arrive at equity value, the B\$5m of debt should be deducted.

A is incorrect because multiplying by an exchange rate quoted as AS per B\$ is the right approach. B is incorrect because cash flows to all investors are appropriately discounted at WACC, not at the cost of equity.

#### NEW QUESTION # 422

A listed company plans to raise \$350 million to finance a major expansion programme.

The cash flow projections for the programme are subject to considerable variability.

Brief details of the programme have been public knowledge for a few weeks.

The directors are considering two financing options, either a rights issue at a 20% discount to current share price or a long term bond.

The following data is relevant:

	Current situation	With project and rights (estimated)	With project and bond (estimated)
Market value of equity (\$million)	3,500	4,500	4,000
Gearing (debt:debt + equity)	1:4	1:5	2:5

The company's share price has fallen by 5% over the past 3 months compared with a fall in the market of 3% over the same period.

The directors favour the bond option.

However, the Chief Accountant has provided arguments for a rights issue.

Which TWO of the following arguments in favour of a right issue are correct?

- A. The recent fall in the share price makes a rights issue more attractive to the company.
- B. The issue of bonds might limit the availability of debt finance in the future.

- C. The administrative costs of a rights issue will be lower.
- **D. The rights issue will lead to less pressure on the operating cash flows of the programme.**
- E. The WACC will decrease assuming Modigliani and Miller's Theory of Capital Structure without taxes applies.

**Answer: B,D**

### NEW QUESTION # 423

.....

As a responsible company, we don't ignore customers after the deal, but will keep an eye on your exam situation. Although we can assure you the passing rate of our F3 training guide nearly 100 %, we can also offer you a full refund if you still have concerns. So you have nothing to worry about, only to study with our F3 Exam Questions with full attention. And as we have been in this career for over ten years, our F3 learning materials have become famous as a pass guarantee.

**F3 Exam Details:** <https://www.dumpsreview.com/F3-exam-dumps-review.html>

- Free PDF Valid F3 - F3 Financial Strategy Passleader Review  Search for ⇒ F3 ⇐ on  [www.troytecdumps.com](http://www.troytecdumps.com)  immediately to obtain a free download  Latest Real F3 Exam
- Flexible F3 Testing Engine  F3 Passing Score Feedback  Flexible F3 Testing Engine  Search for ➡ F3  and download it for free immediately on ( [www.pdfvce.com](http://www.pdfvce.com) )  Reliable F3 Test Camp
- Valid F3 Guide Files  Reliable F3 Test Sims  Valid F3 Test Camp  Copy URL ✓ [www.examcollectionpass.com](http://www.examcollectionpass.com)  ✓  open and search for ➡ F3  to download for free  Authentic F3 Exam Hub
- Reliable F3 Test Camp  F3 Passing Score Feedback  F3 Valid Real Exam  Enter « [www.pdfvce.com](http://www.pdfvce.com) » and search for  F3  to download for free  F3 Free Learning Cram
- CIMA F3 Questions - Easy way to Prepare for Exam  Search for [ F3 ] and obtain a free download on ⇒ [www.prepawayexam.com](http://www.prepawayexam.com) ⇐  Valid F3 Test Camp
- Marvelous CIMA F3 Passleader Review Are Leading Materials - Verified F3: F3 Financial Strategy  Search for  F3  and easily obtain a free download on  [www.pdfvce.com](http://www.pdfvce.com)   F3 Free Learning Cram
- Marvelous CIMA F3 Passleader Review Are Leading Materials - Verified F3: F3 Financial Strategy  Search on { [www.prepawaypdf.com](http://www.prepawaypdf.com) } for ➡ F3   to obtain exam materials for free download  Valid F3 Guide Files
- Cheap F3 Dumps  Reliable F3 Test Sims  F3 New Braindumps Sheet  Go to website “ [www.pdfvce.com](http://www.pdfvce.com) ” open and search for ➡ F3  to download for free  Free F3 Sample
- Free PDF Valid F3 - F3 Financial Strategy Passleader Review  Enter ⇒ [www.verifiedumps.com](http://www.verifiedumps.com) ⇐ and search for ➤ F3  to download for free  Valid F3 Guide Files
- F3 Passleader Review | High Pass-Rate CIMA F3: F3 Financial Strategy  Open 「 [www.pdfvce.com](http://www.pdfvce.com) 」 enter ▷ F3 ◁ and obtain a free download  Valid F3 Test Camp
- Cheap F3 Dumps  F3 Regular Update  Valid F3 Test Camp  Copy URL ▷ [www.examcollectionpass.com](http://www.examcollectionpass.com) ◁ open and search for 「 F3 」 to download for free  Reliable F3 Test Sims
- [kaitlynxfi245813.blogtov.com](http://kaitlynxfi245813.blogtov.com), [keiransqih984805.bimmwiki.com](http://keiransqih984805.bimmwiki.com), [vinnyqjgd099903.wikimeglio.com](http://vinnyqjgd099903.wikimeglio.com), [kaitlynfyso907495.theideasblog.com](http://kaitlynfyso907495.theideasblog.com), [lucjfg225522.wikilinksnews.com](http://lucjfg225522.wikilinksnews.com), [keithgkji18273.blogdal.com](http://keithgkji18273.blogdal.com), [heidiztrp611305.59bloggers.com](http://heidiztrp611305.59bloggers.com), [bookmarkshome.com](http://bookmarkshome.com), [saulyjhx321967.theideasblog.com](http://saulyjhx321967.theideasblog.com), [rsartqh295334.kylieblog.com](http://rsartqh295334.kylieblog.com), Disposable vapes

BTW, DOWNLOAD part of DumpsReview F3 dumps from Cloud Storage: <https://drive.google.com/open?id=1pvR77KKNz5FR4bgyy6tNRLuFiuUrmQjn>