

Section I: Economics

On what basis is the international monetary system established since the end of Bretton Woods:

- fully flexible exchange rates.
- substantial variability in the exchange rates of the industrial countries.
- exchange rate overshooting.
- all of the above.
- **(2) and (3) only.**

Section II: Maths skills

You have an interest rate $r = 4\%$ per year, in how much years will you're stock be multiplied by 3 ?

- 76,5
- **28**
- 17,67

Section III: News Analysis

Please read this article from The Financial Times and answer the following questions:

The eurozone's economy crept out of deflation this month, although price pressures remained far short of the European Central Bank's target of just under 2 per cent.

Prices in the eurozone were unchanged in the year to October, according to a flash estimate from Eurostat, the European Commission's statistics bureau, marking a slight improvement from conditions earlier in the autumn.

Headline inflation was likely to register zero in the year to October. That figure is up from minus 0.1 per cent in the year to September. **Core inflation, a measure that strips out more volatile price changes for goods such as energy and food**, was 1 per cent. That was a slight improvement on the September figure of 0.9 per cent.

The ECB is expected to strengthen its €1.1tn quantitative easing package in December after its president, Mario Draghi, said the central bank's stance would be "re-examined".

A stronger QE programme could involve extending bond buying beyond September 2016, increasing monthly purchases from the current amount of €60bn or expanding the range of assets included under the programme. At the moment, the ECB's buying is largely confined to government debt and bundles of loans sliced and repacked into asset backed securities and covered bonds.

The central bank could also consider cutting its deposit rate from the current level of minus 0.2 per cent. A rate cut will almost certainly weaken the euro, raising inflation on imports.

Low oil prices are the dominant factor behind the recent decline in price pressures in the eurozone and globally. Eurostat said on Friday that energy costs had fallen by 8.7 per cent over the past year. The prices of services, food and drink, as well as other industrial goods, have all risen in the region.

However, the single currency area has long struggled with weak price pressures. Inflation has eluded the region since the beginning of 2013. Peter Praet, the ECB's chief economist, said earlier this week that policymakers had "a duty" to use all instruments available to raise inflation back to target.

Separately, eurozone unemployment hit an almost four-year low of 10.8 per cent in September 2015. The figure, down from 10.9 per cent in August 2015, is the lowest rate recorded since January 2012.

<http://www.ft.com/intl/cms/s/0/fd6f03fa-7ef2-11e5-a1fe-567b37f80b64.html#axzz3qG8J6bqi>

What is the main cause of the recent downfall in price pressure in the world?

- The fact that the FED isn't rising interest rates.
- The fact that the ECB is expected to strengthen quantitative easing.
- **The fact that oil prices are low.**
- The fact that the eurozone unemployment reached a four-year low.

What is core inflation:

- **A measure of inflation that excludes certain items that face volatile price movements.**
- A measure of inflation only for the eurozone.
- The same thing as inflation.
- The same thing as headline inflation.

Section IV: Reasoning

Choose the alternative which is closely resembles the water-image of the given combination:

GR98AP76ES

(1) 6B98V619E2

(2) 2R00V619E2

(3) 6B00V610E2

(4) 6B00V610E2

- (1)
- (2)
- **(3)**
- (4)

Section V: Financial Statement Analysis

Calculate the Book Value per Share of Tesla for the year 2014.

Book Value per Share = (Total Shareholder's Equity - Preferred Equity)/Total Outstanding Shares

In Millions of USD (except for per share items)	As of 2014-12-31
Cash & Equivalents	1,905.71
Short Term Investments	-
Cash and Short Term Investments	1,905.71
Accounts Receivable - Trade, Net	226.60
Receivables - Other	-
Total Receivables, Net	226.60
Total Inventory	953.67
Prepaid Expenses	94.72
Other Current Assets, Total	17.95
Total Current Assets	3,198.66
Property/Plant/Equipment, Total - Gross	2,121.86
Accumulated Depreciation, Total	-292.59
Goodwill, Net	-
Intangibles, Net	-
Long Term Investments	-
Other Long Term Assets, Total	54.58
Total Assets	5,849.25
Accounts Payable	777.95
Accrued Expenses	194.08
Notes Payable/Short Term Debt	601.57
Current Port. of LT Debt/Capital Leases	9.53
Other Current liabilities, Total	524.04
Total Current Liabilities	2,107.17
Long Term Debt	1,864.71
Capital Lease Obligations	12.27
Total Long Term Debt	1,876.98
Total Debt	2,488.08
Deferred Income Tax	-
Minority Interest	-
Other Liabilities, Total	953.39
Total Liabilities	4,937.54
Redeemable Preferred Stock, Total	-
Preferred Stock - Non Redeemable, Net	-
Common Stock, Total	0.13
Additional Paid-In Capital	2,345.27
Retained Earnings (Accumulated Deficit)	-1,433.68
Treasury Stock - Common	-
Other Equity, Total	-
Total Equity	911.71
Total Liabilities & Shareholders' Equity	5,849.25
Shares Outs - Common Stock Primary Issue	-
Total Common Shares Outstanding	125.69

In Millions of USD (except for per share items)	12 months ending 2014-12-31
Revenue	3,198.36
Other Revenue, Total	-
Total Revenue	3,198.36
Cost of Revenue, Total	2,316.68
Gross Profit	881.67
Selling/General/Admin. Expenses, Total	603.66
Research & Development	464.70
Depreciation/Amortization	-
Interest Expense(Income) - Net Operating	-
Unusual Expense (Income)	-
Other Operating Expenses, Total	-
Total Operating Expense	3,385.05
Operating Income	-186.69
Interest Income(Expense), Net Non-Operating	-
Gain (Loss) on Sale of Assets	-
Other, Net	1.81
Income Before Tax	-284.64
Income After Tax	-294.04
Minority Interest	-
Equity In Affiliates	-
Net Income Before Extra. Items	-294.04
Accounting Change	-
Discontinued Operations	-
Extraordinary Item	-
Net Income	-294.04
Preferred Dividends	-
Income Available to Common Excl. Extra Items	-294.04
Income Available to Common Incl. Extra Items	-294.04
Basic Weighted Average Shares	-
Basic EPS Excluding Extraordinary Items	-
Basic EPS Including Extraordinary Items	-
Dilution Adjustment	-
Diluted Weighted Average Shares	124.54
Dividends per Share - Common Stock Primary Issue	-
Gross Dividends - Common Stock	-
Net Income after Stock Based Comp. Expense	-
Basic EPS after Stock Based Comp. Expense	-
Diluted EPS after Stock Based Comp. Expense	-
Depreciation, Supplemental	-
Total Special Items	-
Normalized Income Before Taxes	-
Effect of Special Items on Income Taxes	-
Income Taxes Ex. Impact of Special Items	-
Normalized Income After Taxes	-
Normalized Income Avail to Common	-

- 7.25
- -25.45
- 25.45
- -7.25

Section VI: Investment Banking:

During a corporate bankruptcy, what is the order respected in the distribution of the funds raised through the liquidation:

- a) Secured and unsecured creditors before tax.
- b) Wages, commissions before expenses related to the liquidation.
- **c) Income before preferred shareholders.**
- d) None of the above.

Section VII: Global Markets

Select the following exchanges that can be characterized as foreign:

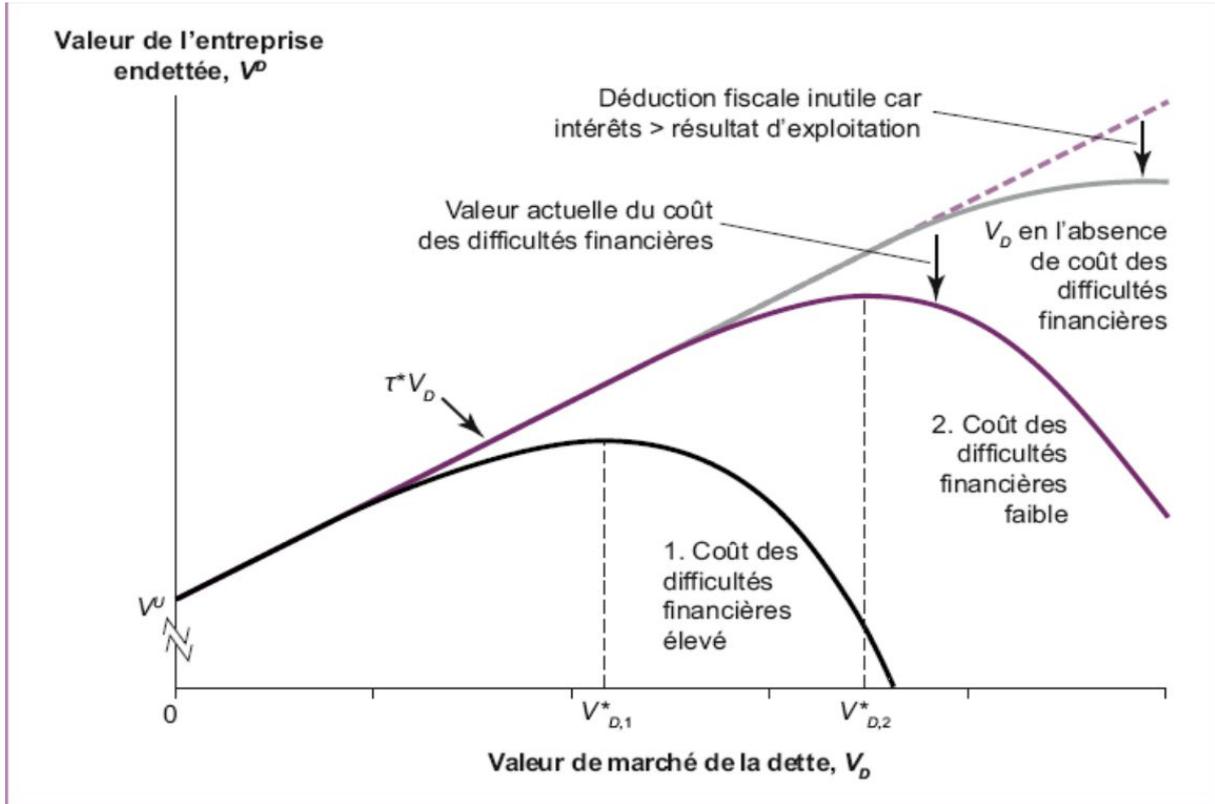
- Exchange of claims denominated in another currency.
- Exchange of bank deposits.
- Exchange of cash issued by a foreign central bank.
- **All of the above.**

When a company contracts today an actual currency exchange for some future date, we say that they are employing which of the following methods:

- futures rate.
- **forward rate.**
- variable rate.
- stock rate.

Section VIII: Chart Analysis

This is a graph that represents the indebtedness of a company in the presence of tax and costly financial difficulties :



What does this graph tells us ?

- a company should not get into debt
- a company needs to borrow up to have the greatest tax benefit
- **there is an optimal level of debt**
- none of the above