

Quiz 7 Class C

Instructions: Answer the questions below with the correct answer. Email your teacher the result when you are done.

1. T /F Shareholders, hoping that the agents will act in the shareholders' best interests, delegate decision-making authority to them.
2. T/F If the managerial labor market is competitive both within and outside the firm, it will tend to discipline managers.
3. T/F Today's financial manager no longer needs to have the flexibility to adapt to the changing external environment if his or her firm is to survive.
4. T/F The decision function of financial management can be broken down into three major areas: the investment, financing, and asset management decisions
5. T/F However, maximization of earnings per share is a fully appropriate goal because it specifies the timing or duration of expected returns.