

LEVERAGE 2: FINANCIAL LEVERAGE

DESCRIPTION:

This module introduces financial leverage, the indifference point, and combined leverage, as well as methods for calculating each and their managerial implications. Note, this module presumes completion of Leverage 1 or a working knowledge of operating leverage.

Tutorial: 26 slides
Problem Sets: 4 problem sets; 31 questions
Average Time: New Module

Sample question from problem set:

Course: Faculty Access (All Modules in Alphabetical Order)
Module: Leverage 2: Financial Leverage / Problem Set ID: 1125

Just Ducky is a national bath toy manufacturer that has **922,000** Shares of Stock Outstanding. The following information was derived from their financial statements from the most recent fiscal year.

Account	\$000
Operating Income	\$470
Net Income	\$155
Short-Term Debt	\$187
Total Liabilities	\$5,250
Total Shareholders' Equity	\$2,820

What is Just Ducky's EBIT?

TUTORIAL  \$000

PS1 1 2 3 4 5 6

SUBMIT ANSWER EXIT

Problem Sets 0 4 0 Total Questions 31

