

QUESTION

1. A company's primary objective is to maximize shareholder wealth.

True/False?

2. A company's primary objective is to maximize sales.

True/False?

3. A company's primary objective is to maximize market share.

True/False?

ANSWER

1. **True** (The primary objective of a firm is to maximize shareholder wealth.)

2. **False**

3. **False** (The primary objective of a firm is to maximize shareholder wealth, not market share.)

QUESTION

1. A company's primary objective is to maximize shareholder wealth. This objective is consistent with the goal of maximizing the firm's value. (True/False?)

2. A company's primary objective is to maximize sales. This objective is consistent with the goal of maximizing the firm's value. (True/False?)

3. A company's primary objective is to maximize market share. This objective is consistent with the goal of maximizing the firm's value. (True/False?)

- **False**
- **False**
- **False**
- **False**
- **False**

4. A company's primary objective is to maximize shareholder wealth. This objective is consistent with the goal of maximizing the firm's value. (True/False?)

- **True**
- **False**
- **False**
- **True**

