

28 Multiple choice questions

1. the risk to a business of being unable to cover its financial obligations
 - a. financial controls
 - b. financial budgets
 - c. financial risk
 - d. analysis

2. a financial document that represents the assets and liabilities of a business, reflecting the net worth of the business at a particular point in time
 - a. analysis
 - b. balance sheet
 - c. assets
 - d. budgets

3. the policies and procedures that ensure that the plans of a business will be achieved in the most efficient way
 - a. financial budgets
 - b. financial risk
 - c. liabilities
 - d. financial controls

4. the making of judgements and decisions using the data gathered from analysis
 - a. income statement
 - b. accounting equation
 - c. interpretation
 - d. gearing

5. a financial document that shows the operating results for a period, including revenue earned and expenses incurred with the resultant profit or loss
 - a. income statement
 - b. cash flow statement
 - c. record systems
 - d. interpretation

6. budgets relating to capital expenditure and research and development
 - a. budgets
 - b. financial budgets
 - c. project budgets
 - d. operating budgets

7. debts that must be met some time after the next 12 months
 - a. current liabilities
 - b. non-current liabilities
 - c. non-current assets
 - d. current assets

8. relating to financial data of a business, including the budgeted income statement, balance sheet and cash flows
 - a. financial budgets
 - b. financial risk
 - c. operating budgets
 - d. financial controls

9. claims by people against the assets (items of debt), representing what is owed by the business
 - a. analysis
 - b. liabilities
 - c. audit
 - d. current liabilities

10. budgets relating to the main activities of a business such as sales, production, raw materials, labour, expenses and costs
 - a. financial budgets
 - b. operating budgets
 - c. planning process
 - d. project budgets

11. money owed either to the business or by the business
 - a. assets
 - b. debt repayments
 - c. record systems
 - d. debt finance

12. quantitative information (facts and figures) provided about requirements to achieve a particular purpose
 - a. audit
 - b. budgets
 - c. assets
 - d. analysis

13. what is spent on the non-current or fixed assets of a business
 - a. current liabilities
 - b. debt finance
 - c. capital expenditure
 - d. equity finance

14. the setting of goals, determining strategies, identifying and evaluating alternative courses of action and choosing the best alternative for the business
 - a. operating budgets
 - b. financial risk
 - c. planning process
 - d. financial budgets

15. a statement that records the claim for input tax credits and accounts for GST payable for a business
 - a. income statement
 - b. financial budgets
 - c. business activity statement (BAS)
 - d. cash flow statement

16. assets that are not expected to be turned into cash within 12 months
 - a. non-current liabilities
 - b. current liabilities
 - c. non-current assets
 - d. current assets

17. a calculation which forms the accounting process, showing the relationship between assets, liabilities and owners' equity
 - a. interpretation
 - b. accounting equation
 - c. operating budgets
 - d. current assets

18. a financial document that indicates the movement of cash receipts and cash payments resulting from transactions over a period of time
 - a. cash flow statement
 - b. balance sheet
 - c. income statement
 - d. record systems

19. items of value owned by a business
 - a. analysis
 - b. assets
 - c. budgets
 - d. audit

20. the internal sources of finance in the business
 - a. debt finance
 - b. analysis
 - c. gearing
 - d. equity finance

21. assets that can be turned into cash within 12 months
 - a. current assets
 - b. current liabilities
 - c. non-current assets
 - d. assets

22. debts that must be repaid within 12 months
 - a. current liabilities
 - b. non-current liabilities
 - c. current assets
 - d. liabilities

23. the short-term and long-term borrowing from external sources by a business
 - a. gearing
 - b. debt repayments
 - c. debt finance
 - d. equity finance

24. the owners' financial interest in the business or net worth of the business (also referred to as "capital")
 - a. operating budgets
 - b. current assets
 - c. owners' equity
 - d. assets

25. the proportion of debt (external finance) and the proportion of equity (internal finance) used to finance a business
- budgets
 - gearing
 - assets
 - audit
26. an independent check of the accuracy of financial records and accounting procedures
- gearing
 - audit
 - assets
 - budgets
27. the mechanisms employed by a business to ensure that data is kept and the information provided is accurate, reliable, efficient and accessible
- record systems
 - income statement
 - debt repayments
 - assets
28. the process of working the financial information into significant and acceptable forms that make it more meaningful, and highlighting relationships between different aspects of a business
- analysis
 - audit
 - assets
 - budgets