

1. A restaurant chain claims that a competitor does not follow hygiene standards, but does not have any proof to support the claim. Which type of tort has the restaurant chain committed?

- (A) Strict liability
- (B) Negligent
- (C) Intentional
- (D) Criminal

2. A financial institution fails to comply with an important government regulation. The financial institution will most likely

- (A) avoid an audit.
- (B) get a better reputation.
- (C) gain new business.
- (D) pay a fine.

3. One benefit of using technology in compliance is that technology is typically more _____ than maintaining manual compliance processes.

- (A) time-consuming
- (B) costly
- (C) efficiently
- (D) error-prone

4. Jonas is starting a nonprofit organization to save turtles in Mexico. What benefit will Jonas most likely receive from registering as a nonprofit?

- (A) Dividends
- (B) Dual taxation
- (C) Bank loan
- (D) Federal tax break

5. Which federal agency supervises banks and credit unions?

- (A) Federal Bureau of Investigation
- (B) Consumer Financial Protection Bureau
- (C) Consumer Product Safety Commission
- (D) Federal Trade Commission

6. Molly has money to invest, but she wants to be sure she doesn't lose her hard-earned money in a scam. Which of the following opportunities should Molly avoid:

- (A) The stock market
- (B) Roth IRA
- (C) 401k
- (D) Ponzi Scheme

7. Shonda buys a house for \$135,000, and then sells it for \$150,000 five years later. The amount of money she makes on the sale is considered a _____ gain.

- (A) short-term excise
- (B) short-term capital
- (C) long-term excise
- (D) long-term capital

8. Which of the following is an effective strategy to use before beginning to read:

- (A) Summarize
- (B) Take notes
- (C) Consult a glossary
- (D) Think about what you want to learn

9. When giving verbal directions, you should

- (A) use a commanding, authoritative voice.
- (B) choose high-level, academic vocabulary.
- (C) make sure your instructions are aimed toward a specific goal.
- (D) generalize instructions so individuals can interpret them in their own ways.

10. Emily is presenting at a sales meeting and wants to show how much of the year's total revenue came from each region. What kind of graphic aid should Emily use?

- (A) Pie chart
- (B) Bar graph
- (C) Line graph
- (D) Flowchart

11. An executive summary should be

- (A) full of technical detail
- (B) lengthy.
- (C) persuasive.
- (D) written in passive voice.

12. Phoebe is the manager of a small company. One of her employees has been showing up late and missing work frequently. What channel of communication should Phoebe use to discuss this issue with him?

- (A) Face-to-face conversation
- (B) An email message
- (C) A company-wide memo
- (D) A video conference

13. Which of the following is something an employee can do to demonstrate a customer-service mindset:

- (A) Resolve problems
- (B) Lower prices
- (C) Offer discounts
- (D) Plan events

14. Two similar brand promises may be carried out differently depending on their

- (A) logos
- (B) types of packaging
- (C) business environments
- (D) slogans

15. Noah is a financial planner who provides guidance to clients. Which of the following is one of his ethical responsibilities to his clients:

- (A) Giving clients subjective information
- (B) Being friends with his clients
- (C) Keeping client information confidential
- (D) Responding to clients' requests on his own timeline

16. Elias is a financial planner who cares about the financial health of his clients. It's important that he communicates with his clients

- (A) at yearly planning meetings
- (B) by mail only
- (C) regularly and openly
- (D) through mediators

17. A company discovers that the customer information in its CRM is difficult to manage because each person who uses the program inputs customer data differently. What can the company do to solve this problem?

- (A) Delete all customer data and start over.
- (B) Do not allow employees to use the CRM.
- (C) Create a company-wide data standards policy.
- (D) Designate an employee to check for missed data.

18. Which of the following is an example of a nonrenewable resource:

- (A) Wind
- (B) Soil
- (C) Sunlight
- (D) Gold

19. Which of the following is an example of consumption:

- (A) A person uses gasoline in his/her car.
- (B) A hairstylist gives a customer a haircut.
- (C) A farmer produces a crop of tomatoes.
- (D) A retailer sells clothing to customers.

20. Which of the following is a likely result of excess demand:

- (A) A customer's market
- (B) A buyer's market
- (C) A seller's market
- (D) A market price

21. In a market economy, what can producers do to maximize profits?

- (A) Seek cost-effective methods of production
- (B) Produce low quality goods
- (C) Cast economic votes
- (D) Produce what the government tells them to produce

22. Lei has just been informed that her plant is getting new equipment and machinery that can do the same jobs as some of the employees. Which disadvantage of specialization is Lei most likely worried about?

- (A) Job obsolescence
- (B) Increased boredom on the job
- (C) Decreased pride in work
- (D) Increased interdependency

23. The use of technology such as video conferencing, webcasts, and email allows a business to

- (A) develop diverse teams.
- (B) improve the richness of conversation.
- (C) reduce privacy concerns.
- (D) avoid all face-to-face interactions.

24. Jenessa finds that her behavior is better and her supervisors respect her more when she makes friends with coworkers who are honest, respectful, and fair. Which step of developing ethical work habits is Jenessa illustrating?

- (A) Being reliable
- (B) Associating with ethical people.
- (C) Speaking up when necessary
- (D) Evaluating her progress

25. Winston o ends his new coworker because he lacks knowledge and information about her culture. What is the likely cause of Winston's cultural insensitivity?

- (A) Fear
- (B) Ignorance
- (C) Collectivism
- (D) Negotiation

26. Which of the following words describes assertive people:

- (A) Victimized
- (B) Manipulative
- (C) Hurtful
- (D) Direct

27. If you're in charge of keeping your group's discussion organized and on track, you are the group's

- (A) timekeeper
- (B) facilitator
- (C) note taker
- (D) president

28. A leader can display integrity by being

- (A) Trustworthy
- (B) flexible
- (C) able to share a vision
- (D) self-confident

29. To get the best response from your coachees, you should be sure to ask _____ questions.

- (A) nonverbal
- (B) critical
- (C) yes-or-no
- (D) open-ended

30. Nick earned \$20 for doing yardwork. He can keep this money for a few weeks, and when he is ready to spend it, it will still be worth the same amount. This is because money is

- (A) a unit of account
- (B) A store of value
- (C) A medium of exchange
- (D) Estimated fixed expenses

31. Which of the following is a strategy to help with tracking expenses:

- (A) Only use cash payments.
- (B) Keep receipts.
- (C) Spend as little as possible.
- (D) Estimate fixed expenses.

32. When your grandparents were young, gasoline prices were less than a dollar per gallon. Today, gasoline prices are much higher. This is the result of

- (A) investment
- (B) interest
- (C) compounding growth
- (D) inflation

33. Which of the following is a reason to invest your money:

- (A) Investing can help you to reach your long-term financial goals.
- (B) You will receive a lower rate of return than from a savings account.
- (C) When you invest, you earn a lot of money in a very short period of time
- (D) There is no risk involved in investing in the stock market.

34. A government charges a \$0.184 tax on each gallon of gasoline, regardless of location or price. This is an example of _____ tax.

- (A) Excise
- (B) Sales
- (C) Estate
- (D) Capital Gains

35. Which type of financial institution facilitates the buying and selling of securities between investors?

- (A) Credit unions
- (B) Savings and loan associations
- (C) Brokerage firms
- (D) Insurance companies

36. Robert is a risk-averse investor living on a fixed income. In which financial market should he invest?

- (A) Capital market
- (B) Insurance market
- (C) Money market
- (D) Spot market

37. Which of the following is a problem that comes with the convergence of financial firms:

- (A) The use of financial technology
- (B) Varying regulations for different types of firms
- (C) Ease of manageability
- (D) Similar corporate cultures

38. When interest rates rise, capital investments

- (A) Enter a peak
- (B) increase
- (C) decline
- (D) stay the same

39. Financial markets promote long-term economic development by

- (A) providing indicators of economic health.
- (B) reducing liquidity.
- (C) directing the flow of investment to encourage production.
- (D) limiting information available to market participants.

40. When a developing country globalizes its markets, wealthier countries benefit because they

- (A) can earn a higher return on investments in the emerging market
- (B) can borrow more cheaply in the emerging market
- (C) become more efficient
- (D) may experience increased regulation

41. Seamus is calculating the value of all the outstanding Google stock owned by Google's shareholders. Seamus is determining

- (A) Shareholders equity
- (B) liability
- (C) revenue
- (D) cash flow

42. What is a disadvantage of using the Internet to obtain investment information?

- A None of the information on the Internet is available for free.
- B The Internet is not accurate or reliable.
- C There is not enough information available on the Internet.
- D The large amount of information available on the Internet can be overwhelming.

43. A stock with a high dividend yield is typically _____ than one with a low yield.

- A more established
- B more volatile
- C less volatile
- D less established

44. One possible drawback of using accounting software is

- A inaccuracy
- B cost
- C inefficiency
- D inability to restore data

45. A statement of changes in equity is most useful for

- A investors
- B employees
- C managers
- D customers

46. If a company pays more in dividends than it receives in net income, the statement of changes in equity will show that retained earnings will be

- A zero
- B the same as the previous period
- C higher than the previous period
- D lower than the previous period

47. A company is deciding whether or not it is financially viable to move forward with a new product after receiving negative feedback. Which of the following is a sunk cost that should not be considered in the decision:

- A A promotional campaign to reposition the product's image
- B New materials needed to improve the product
- C The marketing study that yielded the negative feedback
- D The cost of the time needed to alter the product

48. One disadvantage of marginal analysis is that it does not account for

- (A) labor costs
- (B) sunk costs
- (C) outsourcing
- (D) qualitative factors

49. Which of the following situations is an example of using marginal analysis to make a segment profitability decision:

- (A) A restaurant chain manager must decide whether or not to keep a certain franchise open.
- (B) A clothing retailer must decide how many units of each product to sell.
- (C) A company must decide whether to use an outside marketing firm or hire someone internally.
- (D) A furniture company must decide whether to sell its pieces assembled or unassembled.

50. A company manager is making a decision concerning promotional strategy. What managerial accounting technique can assist in the implementation phase of her decision-making process?

- (A) Recording and classifying transactions
- (B) Budgeting expected revenue
- (C) Comparing results to the budget
- (D) Representing plans financially

51. Juan noticed a positive variance of \$2,000 in the email marketing section of his budget. Juan concluded that this variance demonstrated efficient use of funds. What is another possible explanation for the positive variance?

- (A) The planned email marketing campaigns were not completed.
- (B) Email marketing was not effective.
- (C) The budget did not allocate enough resources for email marketing.
- (D) Email marketing is not an important activity.

52. Budgets are important to the management process because they

- (A) shift focus from future events to daily issues.
- (B) help to determine roles and responsibilities.
- (C) ensure that organizational goals come before personal goals.
- (D) remove the possibility of financial constraints.

53. Managerial accounting differs from financial accounting because managerial accounting

- (A) is governed by federal regulation.
- (B) does not focus on planning and budgeting.
- (C) helps people within a business rather than outside of the organization.
- (D) has less impact on decision making.

54. Which of the following is a cost driver that could affect the cost of Internet service in a coffee shop:

- (A) Number of products sold
- (B) Number of customers
- (C) Number of direct labor hours
- (D) Number of ingredients per product

55. Which of the following is an example of an indirect cost in an automobile factory:

- (A) shipping
- (B) glass
- (C) electricity
- (D) assemble line workers salaries

56. Julie's grandparents have offered to give her a \$1,000 gift at either the beginning or end of college. Why should she take the gift at the beginning of college?

- (A) Inflation will increase the value over time.
- (B) She can start earning interest sooner.
- (C) She will pay fewer taxes before she begins college
- (D) She shouldn't; she should wait until after college

57. How much will \$5,000 be worth in five years if invested at an 8 percent compound interest rate?

- (A) \$7,347
- (B) \$5,400
- (C) \$5,045
- (D) \$8,000

58. How can a financial-information management system contribute to the development of future budget requirements?

- (A) Collecting and analyzing competitive data
- (B) Organizing and analyzing past resource usage data
- (C) Managing company assets
- (D) Restricting access to confidential information

59. Which of the following characteristics best describes the practice of stewardship in financial- information management:

- (A) A company culture of mentorship
- (B) Emphasis on accountability for resources
- (C) Focus on potential future cash flows
- (D) Providing information to shareholders based on usefulness

60. Ethical financial-information management practices make a business

- A safe from the possibility of security breaches.
- B more attractive to investors and customers.
- C more volatile in the financial marketplace.
- D susceptible to regulatory investigation.

61. What is an advantage of an integrated financial management system? A
Increased data integrity and security. Because there is one storage location with one authentication point, an integrated financial management system is easy to control and monitor, which makes fraud more difficult. Data are thus more secure and able to maintain integrity. Integrated financial management systems generally have one standardized form of data classification, rather than many, which makes them easier to navigate. One of the defining features of an integrated financial management system is that it eliminates duplicate data entry. Finally, integrated financial management systems are usually not simple and cheap to implement. Rather, they are costly and time-consuming but in the long run will benefit an organization greatly through improved access to information. SOURCE: FM:011

SOURCE: Acevedo, L. (1999-2016). Integrated financial management information systems. Retrieved February 1, 2016, from http://www.ehow.com/about_5147169_integrated-financial-management-information-systems.html

- A Increased data integrity and security
- B Many forms of data classification
- C Duplication of data entry
- D Simple, low-cost implementation

62. Nathaniel wants to implement the principle of least authority into his company's financial-information management policies in order to improve security. What should Nathaniel do to achieve this goal?

- A Convert data into a form that can only be understood by authorized parties.
- B Restrict most employees from using administrative accounts.
- C Control incoming and outgoing network traffic.
- D Only allow top-level executives to access financial information.

63. Karen needs to cut expenses in order to save money. Which budget should she consult?

- A Operational
- B Financial
- C Cash
- D Static

64. John wants to understand how his business compares to the rest of the industry from a nancial standpoint. What nancial analysis technique should he use?

- (A) Common size analysis
- (B) Trend analysis
- (C) Forecasting
- (D) Benchmarking

65. Which of the following is an example of nancial information that should be included in a sustainability report:

- (A) Development in areas of high poverty
- (B) Percentage of senior management hired from the local community
- (C) Costs of actions taken to manage risks or opportunities associated with climate change
- (D) Percentage of recycled materials used in manufacturing

66. Tank's Trucking Company is focusing on eliminating waste and creating more value with fewer resources. Which of the following methodologies is Tank's Trucking Company using:

- (A) Activity-based costing
- (B) Six sigma
- (C) Lean
- (D) Sustainability

67. Makayla wants to know whether or not her customer can pay short-term debts. What type of nancial ratio analysis should Makayla use?

- (A) Asset turnover
- (B) Debit/equity
- (C) Working capital
- (D) Profit margin

68. Which of the following types of buying motives do companies focus on when building trusting relationships with their customers:

- (A) Rational
- (B) Emotional
- (C) Brand
- (D) Reputation

69. How can you search for a specific phrase in a search engine?

- (A) Put the phrase within quotation marks.
- (B) Put the plus symbol (+) between each word of the phrase.
- (C) Capitalize each word of the phrase.
- (D) Use auto-completion features.

70. Information management should ensure that information is

- (A) pleasant.
- (B) abundant.
- (C) retrievable.
- (D) inaccessible.

71. Carly's job involves frequent travel, video conferencing, and report writing. Which type of computer system would benefit Carly the most?

- (A) Desktop
- (B) Smart phone
- (C) Tablet
- (D) Laptop

72. What is the first step in designing a multi-table query?

- (A) Pinpoint exactly what you want to know.
- (B) Determine the criteria.
- (C) Locate the correct tables.
- (D) Set the correct join direction.

73. Analyzing data with Simpson's Paradox in mind can help account for

- (A) inconsistencies in data generation.
- (B) human error.
- (C) unconsidered variables or dimensions.
- (D) incorrect assumptions.

74. How can companies ease privacy concerns in relation to data mining practices?

- (A) Prevent customer awareness of data mining.
- (B) Add complexity to customer information privacy settings.
- (C) Demonstrate the benefits customers can receive in exchange for their information.
- (D) Identify individual customer identities instead of patterns.

75. Darryl works in purchasing and is currently accepting bids for an upcoming project. What is an ethical issue he may encounter during this process?

- (A) Employee theft
- (B) Violation of company Internet policies
- (C) Bribery
- (D) Noncompliance with safety regulations

76. How can companies reduce the risk of security breaches caused by inattentive employees?

- A Encourage employees to use strong passwords on all devices.
- B Terminate accounts of employees who leave the company.
- C Prohibit the use of mobile devices.
- D Only work with third-party providers.

77. The purpose of a pre-bid meeting is to

- A request an extension of the submission date
- B filter out potential bidders.
- C strengthen relationships between bidders and purchasers.
- D clarify any bidders' concerns.

78. What is one way that employers can avoid conflict over use of company property?

- A Appoint an employee to handle all conflicts.
- B Allow minor misuse of company property
- C Enact a zero-tolerance policy for property misconduct.
- D Put clear, specific guidelines and consequences in writing.

79. At his company, Paul is responsible for making sure the organization is complying with its privacy policy. Which privacy principle is Paul fulfilling?

- A Collection limitation
- B Openness
- C Accountability
- D Purpose specification

80. You start out college majoring in marketing, but you don't enjoy it. So you change your major to business. This is an example of a goal being

- A visualized
- B distracting
- C dynamic
- D broken down.

81. Which of the following is a true statement about brainstorming:

- A Ideas should be judged by everyone.
- B It is most useful when only one person is involved.
- C Every point of view is valuable.
- D It involves ideas that would make the problem worse.

82. An important part of the creative process is to

- (A) brainstorm with a group.
- (B) create a concept map.
- (C) trust your own instincts.
- (D) observe a person you admire.

83. Workshops, seminars, internships, and networking are all examples of _____ entrepreneurs can use.

- (A) trends
- (B) professional development sources
- (C) technological advancements
- (D) financing

84. Blake is interested in a career in finance. He values flexibility, life-work balance, and entrepreneurship. What type of career should Blake pursue?

- (A) Portfolio manager
- (B) Underwriter
- (C) Hedge fund trader
- (D) Certified financial planner

85. Which of the following statements regarding corporate governance is true:

- (A) Corporate governance emphasizes individual goals over group goals.
- (B) Corporate governance aligns the interests of individuals, corporations, and society.
- (C) Corporate governance makes a firm's shareholders accountable to its managers.
- (D) Corporate governance is only used to protect the interests of the shareholders.

86. What is a benefit of corporate governance?

- (A) Freedom from stakeholder interference
- (B) Increased distance from investors
- (C) Ability to bypass sustainability efforts
- (D) Improved access to capital

87. The Farside Corporation wants to encourage its workforce to better achieve governance objectives. Which tactic should the company use to motivate its employees and improve the distribution of wealth throughout the corporation?

- (A) Cash incentives
- (B) Profit-sharing
- (C) Team-building
- (D) Flexible scheduling

88. To better achieve governance objectives, Shamrock Corporation wants employees to be present at board meetings and have a say in issues that the board of directors face. Which tactic should Shamrock Corporation use?

- (A) Unions
- (B) Profit-sharing
- (C) Team-building
- (D) Flexible scheduling

89. Rahul, the CEO of a large corporation, needs to make sure his management team complies with the new governance practices. What is the best way for Rahul to ensure the management team knows how to comply?

- (A) Evaluate performance of the board of directors
- (B) Select a new board of directors
- (C) Verbally define roles and responsibilities
- (D) Define roles and responsibilities in writing

90. Which of the following most likely led to a greater emphasis on governance structures in recent years:

- (A) Competitor saturation
- (B) Accounting fraud
- (C) Stock market crash
- (D) New technology in the industry

91. Who is responsible for approving corporate governance goals and policies? Who is responsible for approving corporate governance goals and policies?

- (A) Shareholders
- (B) Chief Executive Officer
- (C) Board of directors
- (D) Management team

92. Which of the following is a benefit of networking for a finance professional:

- (A) Growth in technical knowledge
- (B) Prevention of job loss
- (C) Gaining insider information about other companies
- (D) Improving marketing skills

93. If you are struggling to form relationships with other finance professionals, you should

- (A) abandon networking attempts and focus on developing your own career.
- (B) stick to finance topics so you do not waste others' time.
- (C) lead with discussing your qualifications to establish your credibility.
- (D) define your expected outcomes and change your strategy to fit them.

94. Sasha recently announced that she is planning an overnight company outing in a state park. Since that announcement, several members of her team have expressed concern about the event because of rumors of bear attacks in the area. What is the first thing that Sasha should do to determine the actual level of risk associated with camping at the park?

- A A SWOT analysis
- B Risk management
- C A risk assessment
- D Risk communication

95. Courtney is responsible for risk management at her bank and wants to make sure risk management is being applied to operations and decisions at every level throughout the company. To do so, Courtney would most likely want to employ a(n)

- A supply chain management risk program.
- B enterprise risk management system.
- C information security system.
- D management information system.

96. The X Brand Company is unable to find an outside firm that will insure against a particular risk that is somewhat common in X Brand's industry. What would be the best alternative method to insure against this risk?

- A Set up group insurance
- B Employ captive insurance
- C Offer no insurance
- D Change industries

97. One of Jenson's LLC's delivery trucks broke down, most likely because the truck was not properly maintained. Which internal risk factor did Jenson's fail to properly control?

- A Economic risk
- B Physical risk
- C Political risk
- D Natural risk

98. The entire market has just collapsed. This is an _____ risk known as a(n) _____ factor.

- A external; economic
- B internal; economic
- C external; political
- D internal; technological

99. Tyrese and his team are creating a list of their company's critical enterprise-wide risks. They are compiling

- (A) a risk assessment.
- (B) a risk inventory.
- (C) enterprise risk management.
- (D) risk control.

100. The Lyle Group is incorporating an enterprise risk management (ERM) plan to better manage its risk this year. The Lyle Group should include its nalized ERM plan in its _____ to make the information available to all stakeholders.

- (A) annual budget
- (B) annual repor
- (C) balance sheet
- (D) quarterly projections

101. A government agency established product standards that manufacturers must follow when producing their goods. In this situation, the type of authority that the agency is exhibiting is the control of

- (A) rates.
- (B) supply.
- (C) conduct.
- (D) discretion.

102. Which of the following is a characteristic of the illegal practice of affinity fraud:

- (A) Pays a minimal dividend to encourage additional investment
- (B) Primarily involves buying and selling commodities
- (C) Fails to offer testimonials during sales pitches
- (D) Targets identifiable groups of people

103. As a financial planner, Deidra takes care to select investments that match her clients' needs and monitors their investments for changes that might affect their financial well-being. Deidra is

- (A) following credit requirements.
- (B) carrying out due process.
- (C) exercising duty of control.
- (D) exhibiting fiduciary responsibility.

104. Which of the following are examples of tax shelters:

- (A) Municipal bonds and earned income
- (B) Real estate and stock ownership
- (C) Pension plans and capital gains
- (D) Retirement funds and health-savings accounts

105. To ensure compliance with federal regulations, the Bradshaw Corporation requires managers to approve or authorize certain actions before employees carry out their work. What type of internal control is the company using?

- (A) Corrective
- (B) Detective
- (C) Preventative
- (D) Reflective

106. When a business keeps up with regulations, continuously audits its processes, and makes changes to ensure that it is operating in a legal way, it is taking a _____ approach to compliance.

- (A) passive
- (B) reactive
- (C) proactive
- (D) regressive

107. To comply with regulations, some jurisdictions require financial-services businesses to monitor their employees' electronic communications. What type of technology do businesses use in these situations?

- (A) Computer-aided design software
- (B) Conversion applications
- (C) Surveillance software
- (D) Streaming applications

108. Compliance software that alerts businesses of regulatory changes helps businesses quickly identify

- (A) market conditions that affect local businesses.
- (B) gaps that affect their compliance status.
- (C) issues that involve customer satisfaction levels
- (D) problems that involve product quality.

109. Which of the following is an example of a procedure:

- (A) Glenwood Industries offers dental and optical insurance for all full-time employees.
- (B) Megan must enter a specific username and password to access her work computer
- (C) Employees are permitted to wear jeans to work on Fridays.
- (D) Arron can take two weeks of vacation after he has been with the company for one year.

110. Which of the following are factors to consider during the delivery process of an oral presentation:

- (A) Organization of content and development of notes
- (B) Voice quality and nonverbal behavior
- (C) Nonverbal behavior and development of notes
- (D) Organization of content and voice quality

111. It is best to organize a report in chronological order when the subject matter is

- (A) time-oriented.
- (B) based on opinion.
- (C) appeal based.
- (D) problem-oriented.

112. What technique helps writers develop an effective executive summary for a long report?

- (A) Include detailed information to ensure conciseness
- (B) Copy the entire report and delete the key points
- (C) Develop a bibliography to capture important information
- (D) Recap each of the report's primary sections

113. Olivia's manager asked her to attend a meeting that will be held next Tuesday and provided her with an outline that describes the meeting topics. What can Olivia do to prepare for the meeting?

- (A) Set priorities for discussion points
- (B) Summarize the status of all of her current work projects
- (C) Ask a coworker about the meeting's purpose
- (D) Review the meeting agenda to gather necessary information

114. Positive customer relations make customers feel

- (A) connected.
- (B) hopeful.
- (C) superior.
- (D) deflated

115. Which of the following is a true statement regarding difficult customers:

- A They are almost always argumentative.
- B No business is exempt from encountering them
- C It's important to figure out why they are being difficult.
- D They are more common in wholesale businesses than at service organizations.

116. Dependable financial planners help their clients understand

- A complex financial terms and concepts
- B the importance of focusing on short-term gains.
- C the difficulties of changing a financial plan.
- D why high-risk investments are appropriate for everyone.

117. Catherine has been Trevor's financial planner for 10 years. Because Trevor feels that Catherine has his best interests in mind and keeps him updated on his investments, he told several of his friends and colleagues about Catherine's expertise and recommended that they make appointments with her to discuss their financial plans. The benefit to Catherine in this situation is that she

- A obtained recognition from her colleagues.
- B earned a sizable commission from Trevor's investments.
- C gained a positive reputation through social media applications.
- D received referrals from an existing client.

118. The MCA Corporation uses data-cleansing software to check its customer database for missing phone numbers, email addresses, and zip codes. In this situation, the software is helping the business identify

- A expired data.
- B transposed data.
- C redundant records.
- D incomplete records.

119. Customer Relationship Management (CRM) software applications can help businesses identify customers' needs, interests, and preferences, which enables them to

- A verify accounting procedures.
- B update the business's income statement.
- C scan the environment for inconsistencies.
- D develop personalized messages.

120. The Telford Pharmaceutical Company is concerned that proposed regulatory changes may negatively impact its research and development initiatives, profitability, and long-term growth, as well as the wellbeing of patients who may benefit from using its products. What can the company do to influence legislation and protect its interests?

- A Veto the legislation
- B Engage in lobbying efforts
- C Hire an estate attorney
- D Sign a warrant

121. Laurel is the owner of a home-based bookkeeping business. Which of the following is a type of expense that Laurel can count as a deduction to lower her tax obligation:

- A Personal travel
- B Facility rent
- C Work apparel
- D Office equipment

122. Following specific procedures, Meg spends most of her work time entering invoice data into the computer system. Meg's job has

- A low scope and high depth.
- B high scope and high depth.
- C low scope and low depth.
- D high depth and low scope.

123. Most economists agree that inflation occurs when

- A currency exchange rates fluctuate.
- B there is too much competition in the marketplace
- C there is not enough consumer demand.
- D the money supply grows faster than the economy does.

124. Country X can produce fuel oil at a lower cost than country Y. What does Country X possess?

- A A comparative advantage
- B An absolute advantage
- C A trade surplus
- D A trade deficit

125. Your intellectual abilities are associated with _____ traits.

- (A) mental
- (B) emotional
- (C) physical
- (D) cerebral

126. Roberto's coworker Jessa just got a promotion. What should he say to demonstrate empathy?

- (A) "I wish I could get a promotion."
- (B) "That's wonderful for you!"
- (C) "Don't get too excited."
- (D) He should avoid saying anything.

127. Randall is working extra hours this week at his afterschool job, and now he's not sure if he'll have enough time to study for his finals. He's starting to feel a lot of pressure and tension, also known as

- (A) employee turnover.
- (B) productivity.
- (C) job satisfaction.
- (D) stress.

128. Lately, Marilee has noticed that Adam has had decreased enthusiasm for his job. As a manager, Marilee may be able to motivate Adam by

- (A) giving him a new project to work on.
- (B) advising him to change his attitude.
- (C) assigning his responsibilities to others.
- (D) asking a coworker to praise him for his efforts.

129. Even though Vaughan is one of his company's best salespeople, he's still always trying to improve. Which behavior of achievement-oriented people is Vaughan demonstrating?

- (A) Taking moderate risks
- (B) Demonstrating leadership
- (C) Being dissatisfied with current performance
- (D) Desiring feedback

130. Devin, Miranda, and Antonio are three employees from different departments who are collaborating on a project. They are able to resolve problems effectively and streamline processes because each person has unique experiences and knowledge. What enhances collaboration in this situation?

- A Different perspectives
- B Nonfunctional conflict
- C Delegation
- D Leadership

131. Banks must clearly communicate loan terms to the loan applicants, and loan applicants must be honest and provide accurate information about their finances to the bank during the application process. What concept does this situation describe?

- A Doctrine of Accounting Transparency
- B The 80/20 Rule
- C Doctrine of Utmost Good Faith
- D The Rule of Financial Stability

132. To be able to pay for unexpected car repairs and/or to replace broken home appliances, it is important to

- A use tax returns to purchase treasury bonds.
- B make long-term investments.
- C eliminate entertainment expenses.
- D save money for emergency situations.

133. Which of the following is a long-term financial goal:

- A Obtaining funds so you can make a down payment on a house now
- B Investing 18% of your annual income so you can retire at the age of 60
- C Saving money for a vacation that will take place in six months
- D Allocating funds from your monthly income to pay for utilities

134. When Jake pays his bills, he must write a check or provide his credit-card number on the bills, which he then places in envelopes to mail. To protect himself from identity theft, he should

- A put the envelopes in his mailbox for pick up.
- B take the envelopes to the post office.
- C make sure that he includes his address on the envelope.
- D verify that his billing information is correct.

135. What is a primary responsibility of an investment bank?

- (A) Help firms raise funds by issuing securities
- (B) Pool contributions and invest for them for employees
- (C) Use funds from premiums to offer loans
- (D) Accept deposits from individual savers

136. What does the credit rating of a financial institution indicate to savers and investors?

- (A) How risky it is to provide the financial institution with funds
- (B) The return rate for specific mutual funds
- (C) The amount of funds that the bank lends to other institutions
- (D) When the financial institution expects to see a return on investment

137. Which of the following financial markets sells new stock or bond issues to investors:

- (A) Primary capital market
- (B) Secondary capital market
- (C) Soft commodities market
- (D) Hard commodities market

138. Which of the following is a characteristic of a call market:

- (A) Buyers and sellers determine prices
- (B) Trades occur continuously
- (C) Buy orders are made at specific times
- (D) Prices change from moment to moment

139. A benefit of consolidation to financial institutions is

- (A) more product options.
- (B) one-stop shopping.
- (C) less complex products.
- (D) more liquid capital.

140. When the unemployment rate rises, stock values typically

- (A) stabilize quickly.
- (B) increase.
- (C) decrease.
- (D) remain unchanged.

141. Which of the following is an aspect of deregulation that has fueled the growth of financial globalization:

- (A) Higher quotas
- (B) Protectionism
- (C) Lower taxes
- (D) Embargos

142. Which of the following is a characteristic of a hedge fund:

- (A) Uses high-risk investment techniques
- (B) Is subject to strict regulations
- (C) Guarantees an average return on investment
- (D) Involves pooling funds from the public

143. Paula is thinking about purchasing stock in the IHM Steel Corporation. Which of the following resources is most likely to contain the financial information she needs to guide her decision making:

- (A) IHM's most recent annual report
- (B) A white paper developed by the steel industry
- (C) The corporation's sales forecast for the current month
- (D) The industry's performance and safety standards

144. Before buying stock in the IAJ Company, Martin wants to get a "snapshot" of the company's overall financial health. What financial document will provide Martin with this type of information?

- (A) Purchases journal
- (B) Stock table
- (C) Balance sheet
- (D) Depreciation report

145. If Sam wants to compare today's closing price of a particular stock with yesterday's closing price, what column in a stock table should he should look at?

- (A) 52-Week HI/LO
- (B) Price-earnings ratio
- (C) Yield percentage
- (D) Net change

146. If Kayla wants to obtain the most current pricing for various stocks, she should

- (A) access a financial website.
- (B) pick up a business-oriented newspaper.
- (C) log onto the "About Us" section of a business's website.
- (D) review a business's annual report.

147. Which of the following is a disadvantage of investing in bonds:

- (A) Their returns do not keep up with inflation.
- (B) They may take a long time to provide a return.
- (C) You must pay a penalty for early withdrawal.
- (D) They are issued by corporations or governments.

148. Malcolm has health insurance through his employer and must pay \$1,500 for his medical services before his insurance will begin paying for them. The \$1,500 that Malcolm must pay is the insurance

- (A) reserve.
- (B) copay.
- (C) premium.
- (D) deductible.

149. What step in the accounting cycle occurs after journal entries are posted to the business's ledger?

- (A) Transactions are classified.
- (B) Source documents are gathered.
- (C) A trial balance is prepared.
- (D) Receipts are disbursed.

150. A company has a lawsuit pending against it. It may or may not have to pay a settlement. On the balance sheet, the amount is known as a

- (A) long-term liability.
- (B) contingent liability.
- (C) current asset.
- (D) depreciated asset.

151. Main Street Bank requires Mr. Elliott to enter a computer password to access information about his checking and savings accounts. What is the role of the bank's financial-information management system in this situation?

- A Collecting financial information
- B Reporting accurate data
- C Protecting customer information
- D Initiating a financial audit

152. An effective financial-information management system enables managers to obtain reports to determine how the company is using its funds. If the managers find that the company is not operating efficiently, they may reallocate funds from one business function to another to improve profitability. In this situation, the reports generated by the financial-information management system are

- A improving customer service.
- B ensuring compliance.
- C guiding decision making.
- D tracking purchasing behavior.

153. What is a benefit to a corporation that manages its financial information in an ethical manner?

- A Higher external control
- B Customer defections
- C Favorable reputation
- D Lower operating expenses

154. The purpose of using an audit trail in the financial-information management function is to

- A monitor the competition.
- B ensure the efficient use of human resources.
- C analyze customer preferences.
- D identify data inconsistencies.

155. When employees have the ability to retrieve only the computer data that are important for them to have to perform their job, the business is applying the

- A law of diminishing capacity.
- B principle of least authority.
- C concept of intrusion prevention.
- D doctrine of organizational structure.

156. To prevent unauthorized access to a computer system or network, businesses typically install

- A debugger applications.
- B spyware applications.
- C firewall software.
- D compression software.

157. Which of the following is a data-mining technique that uses predictive models to identify inconsistencies in data:

- A Decision trees
- B Dashboards
- C Artificial neural networks
- D Histograms

158. If an auto-insurance company considers certain risk factors to classify its policyholders, what data-mining technique is it using?

- A Accountability matrix
- B Rule induction
- C Decision tree
- D Secondary simulation

159. Businesses use budgeting software to

- A organize shipping data.
- B record employee performance.
- C calculate their tax rates.
- D develop reliable forecasts.

160. Montgomery Enterprises is using software to develop a document that categorizes its anticipated income and expenses into subcategories such as sales, production, salaries, and tax liability for a 12-month financial cycle. The company is developing a(n)

- A financial plan.
- B cash budget.
- C balance sheet.
- D operating budget.

161. A business uses benchmarking applications when it wants to

- (A) determine the taxes that it owes to the federal government.
- (B) measure the amount of time that it needs to convert assets into cash.
- (C) calculate the dividends that will be paid to stockholders.
- (D) compare its performance with other companies in the industry.

162. A company uses financial software to examine a product's total costs in relation to its selling price. The company is analyzing

- (A) liquidity.
- (B) profitability.
- (C) stockturn.
- (D) market value.

163. What database application helps to prevent dates, credit card numbers, and telephone numbers from being entered into a database field in an incorrect format?

- (A) Filter
- (B) Input mask
- (C) Inner join
- (D) Macro

164. Tim is creating a new database for his small company. Before he can enter the data (e.g., customer name, address) into the database, Tim must create the

- (A) table.
- (B) spreadsheet.
- (C) mirror.
- (D) transaction log.

165. It is important for a corporation to provide investors with accurate financial information so they can evaluate

- (A) interest rates and currency exchanges.
- (B) general economic conditions and trends.
- (C) the corporation's performance and well-being.
- (D) the corporation's policies and operating processes.

166. To be in compliance, a public corporation is required to have its financial reports reviewed by

- (A) its internal audit committee.
- (B) an independent auditor.
- (C) its controller.
- (D) an actuary.

167. Although the accounting and finance functions of business are interrelated, a primary accounting activity is _____, while a primary finance activity is _____.

- (A) reporting; planning
- (B) evaluating; collecting
- (C) funding; analyzing
- (D) controlling; presenting

168. If the HMJ Corporation accounts for transactions as they occur even though it has not made or received payment, it is using the _____ accounting system.

- (A) sequential
- (B) cash
- (C) accrual
- (D) intermediate

169. Which of the following is a true statement about management accounting:

- (A) The primary purpose of management accounting is to report past performance.
- (B) External audiences are the primary users of management accounting reports.
- (C) Businesses use management accounting for planning and controlling purposes.
- (D) Management accounting requires businesses to follow specific laws and regulations.

170. Which of the following is an example of an employee using financial information to identify a trend:

- (A) After reviewing five consecutive quarterly sales reports, Annette notes that customers spent less money on their orders this year than they did during the same time period the previous year.
- (B) Ben uses a product's fixed costs, variable costs, and selling price to calculate how many items the company must sell to make a profit.
- (C) Samantha obtains information about the annual interest rate for a bond so she can determine if she wants to purchase that particular bond.
- (D) Marcus contacts the government taxation agency to verify some important information to ensure that his company is in compliance.

171. Financial information that a credit card issuer analyzes when reviewing customers' credit card applications include the customers'

- (A) loan balances and consumption rates.
- (B) income and preferred standard of living.
- (C) employment status and financial goals.
- (D) payment history and current level of debt.

172. Hannah is reviewing vendor records to determine the difference between the actual dollar amount that the company pays and the standard dollar amount for an item that it uses for production purposes. What type of variance is Hannah is analyzing?

- (A) Market
- (B) Inventory
- (C) Cost
- (D) Quality

173. Because Vince's small business has distinctive slow and busy seasons, he needs to determine ways in which he can best manage his income to get through the slow times of the year. Vince should begin this process by reviewing

- (A) break-even analyses.
- (B) cash flow statements.
- (C) the business's marketing plan.
- (D) specific credit transactions.

174. Human resources management exists to make sure that every employee in the company is

- (A) productive.
- (B) happy.
- (C) friendly.
- (D) wealthy.

175. Which of the following is a specific goal:

- (A) Increasing sales
- (B) Finding more customers
- (C) Reducing costs by 5%
- (D) Improving customer satisfaction

176. Which of the following is an advantage to businesses of using web-based services for storing business records online:

- A The information is available at all times from any computer.
- B The online service provider updates the records daily.
- C Outdated records are automatically discarded without permission.
- D Web-based service companies rarely experience technical problems.

177. An author might send a notice of copyright infringement when a business

- A places a trade character in one of its publications.
- B posts his/her written work on its website without permission.
- C reproduces an invention and sells it to the public.
- D attempts to publicize a trade secret.

178. The BRW Company currently has a computer system in which it uses a variety of computer applications that operate independently of one other. The company wants to upgrade its technology to accommodate its expansion. Which of the following technological options will enable employees at all locations to have access to the same data at the same time and increase the company's overall operating efficiency

- A Integrated software
- B Design applications
- C A global positioning system
- D Digital forensics

179. If Delia needs to determine the dollar amount of office supplies that her company purchases from the XRT Company each month, she should review

- A accounts-payable records.
- B production status reports.
- C customer invoices.
- D sales reports.

180. Altering the stock levels of certain products in reports to cover up inconsistencies that were recorded during the physical counting process is an example of unethical behavior related to

- A inventory management.
- B purchasing practices.
- C the vendor-selection process.
- D the production process.

181. As a project manager, Jonah must coordinate all of the project resources and activities in an orderly and efficient way to ensure that the stakeholders receive the project deliverables as agreed upon. What project-management skill must Jonah apply in this situation?

- A Negotiation
- B Communication
- C Organization
- D Team building

182. Chandra buys ingredients to turn into soap, which she then sells at her organic bath products shop. Which type of purchasing does Chandra do?

- A Buying for resale
- B Buying for transformation
- C Buying for business use
- D Buying for industrial use

183. Acceptance sampling is a part of statistical quality control that involves

- A determining whether to approve or reject an entire batch of products.
- B filling out control charts.
- C identifying the cause of quality problems.
- D painting a picture with descriptive statistics.

184. Which of the following is an example of a semi-variable expense:

- A Maintenance
- B Property taxes
- C Overtime
- D Utilities

185. Evan's goal is to open his own brokerage firm in five years. What type of goal has Evan set?

- A Short-term
- B Detail-level
- C Grand-scale
- D Intermediate

186. A factory finds a new, faster way to make its product. This new method saves the company time and money. Which type of innovation is this?

- (A) Positioning
- (B) Product
- (C) Paradigm
- (D) Process

187. Connor thinks that he may be interested in pursuing a career as an insurance underwriter. He accessed a government website, which provided him with information about an insurance underwriter's educational requirements, typical job responsibilities, salary ranges, and

- (A) testing tips.
- (B) career goals.
- (C) programming needs.
- (D) employment outlook.

188. Because Talia lacks work experience, she should focus on her _____ when developing her résumé.

- (A) volunteer work and opinions
- (B) references and social alliances
- (C) personal goals and unusual talents
- (D) education and skills

189. Leah's primary duties at TRN Bank involve soliciting borrowers and assisting them through the process of purchasing a home or office building. Which of the following is most likely Leah's job title:

- (A) Controller
- (B) Insurance underwriter
- (C) Senior bank teller
- (D) Mortgage loan officer

190. Sasha, who oversees a staff of five employees, is responsible for coordinating efforts that involve reviewing aging accounts, contacting customers regarding late payment, and working with outside agencies that facilitate the payment process. Sasha works as a(n)

- (A) collections manager.
- (B) accounts-payable supervisor.
- (C) pension manager.
- (D) budgeting analyst.

191. To maintain their certifications, many finance professionals are required to take continuing education classes to

- A keep up with regulatory changes.
- B supplement their incomes.
- C achieve personal goals.
- D improve their relationships with clients.

192. Which of the following are methods through which many finance professionals obtain continuing education to maintain their certifications and licenses:

- A Workshops and internships
- B Internships and apprenticeships
- C Seminars and workshops
- D Apprenticeships and seminars

193. Building professional, long-term relationships with others in the financial industry requires

- A a formal agreement or contract.
- B consistent communication.
- C membership in unrelated trade organizations.
- D a detached attitude.

194. Last year, several clients filed complaints with a government agency stating that TQS Company's employees used questionable tactics to get them to purchase financial products. One action that the company can take to lower risks associated with their employees' behavior is to

- A develop financial products that better meet clients' needs.
- B require accounting managers to develop a code of conduct.
- C provide ongoing ethics training for all employees.
- D encourage employees to use their best judgment in selling situations.

195. An employee who behaves unethically in the workplace is an example of an _____ risk.

- A external human
- B external technological
- C internal human
- D internal technological

196. What risk management tool enables a business to view financial transactions in real time via a computer system?

- A Clickstream
- B Site map
- C Data-flow diagram
- D Digital dashboard

197. Which of the following is a technological tool that a financial institution might use to quantify potential losses related to investment portfolios:

- A Intrusion detection
- B Fraud detection
- C Risk assumption
- D Risk modeling

198. Which of the following is a type of insurance company in which the policyholders retain the profits:

- A Insurance underwriting association
- B Local insurance agency
- C Insurance broker
- D Risk retention group

199. After carefully considering its options, the TPJ Company decided not to manufacture a product because of the potential hazards it posed to its employees and to the environment. How did the company control risk in this situation?

- A By retaining the risk
- B By transferring the risk
- C By avoiding the risk
- D By reducing the risk

200. Which of the following is an example of an external risk that is difficult for a business to control:

- A Competitors' activities
- B Business equipment failures
- C Product-development processes
- D Output goals

201. Allison just started her own photography business. She will be working alone, and she doesn't anticipate any complaints or lawsuits. Which type of business is right for Allison?

- (A) Partnership
- (B) Limited Liability Company (LLC)
- (C) Corporation
- (D) Sole Proprietorship

202. Andrew received an official-looking email that appeared to be from a government agency. The message requested that Andrew reply immediately to the email and provide his bank account information and credit-card account numbers. Fortunately, Andrew found out that the message was fraudulent before he provided the information. What illegal activity does this situation exemplify?

- (A) Affinity fraud
- (B) Ponzi scheme
- (C) Phishing
- (D) Accounting Fraud

203. A public corporation's board of directors has the fiduciary responsibility to ensure that the company makes decisions that protect the financial interests of

- (A) government entities
- (B) board members
- (C) the community at large
- (D) all shareholders

204. Which of the following is a tax-deductible expense:

- (A) A computer for a home-based business
- (B) Personal telephone charges
- (C) Athletic-club membership fees
- (D) International leisure travel

205. A financial audit is an example of a control.

- (A) subjective
- (B) preventative
- (C) conditional
- (D) detective

206. After repeated warnings to fix problems, the government forced OBT Corporation to close its doors until it complied with certain financial regulations. In this situation, the consequences of noncompliance involved

- (A) consumer confidence.
- (B) business disruption.
- (C) bankruptcy.
- (D) transparency.

207. What type of technology focuses on automating information security, preventing employee fraud, and auditing transactions for compliance?

- (A) Enterprise resource planning software (ERP)
- (B) Governance, risk, and compliance systems (GRC)
- (C) Geographic information system (GIS)
- (D) Transport control protocol (TCP)

208. Because compliance technology helps large businesses keep up-to-date with regulatory changes, their

- (A) efficiency levels tend to increase.
- (B) vulnerability levels tend to increase.
- (C) need to understand the changes tends to decrease.
- (D) need to develop audit guidelines tends to decrease.

209. One of your coworkers is having trouble giving verbal directions to her team members, so she asks you for advice. Which of the following pieces of advice should you give her:

- (A) Your instructions will be clearer and more effective if you improvise.
- (B) Speak as quickly as possible to communicate your message.
- (C) Ask the listeners if they have any questions.
- (D) Assume that listeners understand you.

210. Edith wants to organize the information in her persuasive paper in a clear, logical way that's easy for readers to understand. She starts by stating the dilemma at hand and then explains the answer that she believes will solve the dilemma. What method of organizing information is Edith using?

- (A) Deductive
- (B) Alphabetical
- (C) Problem/Solution
- (D) Chronological

211. Garret is writing persuasive letters to several businesses to ask them to donate merchandise for an upcoming auction to benefit the high school marching band. He closes his letter by saying, "Please call our band's secretary today to donate." Which persuasive message technique is Garrett using?

- (A) Call to action
- (B) Storytelling
- (C) Establishing credibility
- (D) Grabbing attention

212. When writing an executive summary, be sure that you

- (A) target people who don't have time to read the full report.
- (B) use as much business jargon as possible.
- (C) make the summary at least 1/10th as long as the full report.
- (D) include every point from the full report.

213. Penelope wants to use an interactive channel to communicate with her employees. Which channel of communication should she choose?

- (A) A voice mail
- (B) A phone call
- (C) A letter
- (D) A report

214. Margot just started a new job, and she has many meetings coming up with lots of different clients. Since her company deals with people from all over the world, Margot's boss tells her to be especially sensitive to cultural differences when speaking with clients. Which of the following things should Margot be sure to do:

- (A) Assume that everyone in a particular culture will act in a certain way
- (B) Communicate with everyone the same way, no matter what their cultural background
- (C) Conduct as much research as she can about the cultural backgrounds of her clients
- (D) Look at it as an opportunity to teach clients how her culture does business

215. Kwame runs an organic meal delivery service. He wants his customers to be able to depend on him to consistently deliver high-quality, healthy food that will simplify their busy lives. This is his company's

- (A) company promise.
- (B) touch point.
- (C) brand promise.
- (D) brand point.

216. The primary responsibility of all financial-services providers is

- (A) lobbying the government on behalf of the industry.
- (B) purchasing and selling securities.
- (C) improving the community's standard of living.
- (D) growing and protecting their clients' wealth.

217. Before a financial planner can recommend an appropriate financial product to a client, s/he must

- (A) determine the client's needs.
- (B) set the client's goals.
- (C) assess the client's qualifications.
- (D) seek advice from experts.

218. It is important to perform data-cleansing processes in customer databases to

- (A) increase data reliability.
- (B) ensure customer satisfaction.
- (C) create new data fields.
- (D) optimize transactional feeds.

219. The Middleton Company uses customer relationship management (CRM) software to categorize customers by their sales-dollar volume over a specific period of time. In this situation, the Middleton Company is using analytics to segment customers.

- (A) differed
- (B) demographic
- (C) product
- (D) profitability

220. What is one way that a business can create or enhance place utility?

- (A) Order or manufacture products before they are needed
- (B) Offer customers financial assistance, such as credit or loans
- (C) Research locations where customers expect to find products
- (D) Add new features to existing products

221. A store has a great deal on new tires, but Aileen doesn't have a car. She doesn't purchase the tires because they don't have any _____ for her.

- (A) elasticity
- (B) buying power
- (C) utility
- (D) equilibrium

222. When Marlon buys a new oven for his bakery, he receives a three-year warranty from the oven company. If the oven breaks or has any problems within three years, the company promises to repair or replace it free of charge. This is an example of business risk.

- (A) transferring
- (B) avoiding
- (C) preventing/controlling
- (D) retaining

223. In some states, businesses pay a percentage of their profits in taxes, no matter how much they make. This is known as a(n) tax.

- (A) fair
- (B) excise
- (C) sales
- (D) flat

224. A company outgrows its current location, so it decides to purchase a larger building. This purchase is considered a

- (A) specialization.
- (B) division of labor.
- (C) capital investment.
- (D) gross domestic product.

225. Which of the following is an accurate way of describing someone with emotional intelligence:

- (A) A person who recognizes and manages emotions
- (B) A person who becomes emotional very easily
- (C) A person who ignore his/her emotions
- (D) A person who has a high IQ

226. When Olivia has a meeting at work, she displays confidence, speaks with authority, and clearly communicates her ideas to improve the company. Olivia demonstrates

- (A) adaptability.
- (B) empathy.
- (C) assertiveness.
- (D) self-control.

227. Which of the following actions is something a positive person would do:

- (A) Hold a grudge against a friend who messed up
- (B) Blame a mistake on a coworker
- (C) Complain about running into traffic on the way to work
- (D) Listen and pay attention while a coworker speaks

228. A customer isn't happy because the vacuum cleaner she just purchased at Marta's store doesn't work. Marta understands how her customer feels because she's been upset about defective products before, too. Marta can relate to her customer because she has

- (A) empathy.
- (B) sympathy.
- (C) codependence.
- (D) tact.

229. Keegan is taking a business course, but he doesn't like his instructor's style. He decides he'll go to two more classes to see if it improves, and if not, he'll switch to a different course. Keegan is showing adaptability by developing a(n) plan.

- (A) learning
- (B) objective
- (C) corrective
- (D) contingency

230. When showing why change is necessary, change leaders should

- (A) provide evidence.
- (B) speak only to coworkers.
- (C) create charts and graphs.
- (D) avoid giving too many details.

231. When setting your financial goals, you should choose goals that are

- (A) unrealistic and general.
- (B) realistic and general.
- (C) unrealistic and specific.
- (D) realistic and specific.

232. Saving money helps you achieve goals, while investing money helps you achieve goals.

- (A) long-term; career
- (B) long-term; short-term
- (C) career; short-term
- (D) short-term; long-term

233. Which of the following is a true statement about saving and investing:

- (A) The need to save and invest is unrelated to the impact of inflation.
- (B) A key factor to long-term financial well-being is to start saving and investing early on.
- (C) Your spending habits have a minimal impact on the amount of money that you save.
- (D) You typically earn more interest on savings accounts than long-term investments.

234. Althea just receive her first paycheck at work. She's excited, but as she looks at her pay stub she gets confused. She wants to know how much money she made in this pay period, but there are so many different numbers. If Althea wants to know how much money will actually be deposited in her bank account, she should look at the

- (A) state tax.
- (B) gross pay.
- (C) federal income tax.
- (D) net pay.

235. Finance companies raise capital by

- (A) developing stock exchanges.
- (B) managing pension funds.
- (C) issuing notes and bonds.
- (D) pooling investors' funds.

236. Which of the following is an example of a deposit-taking institution:

- (A) Premier Insurance Company
- (B) First Street Credit Union
- (C) Insight Credit Services
- (D) Delaware Mortgage Company

237. What type of financial market structure involves trading unlisted stock via a dealer network?

- (A) Auction
- (B) Over-the-counter
- (C) Debt
- (D) Under-the-table

238. Which of the following are examples of agricultural products that are traded on commodity market exchanges:

- (A) Wheat, livestock, and corn
- (B) Sheep, cereal, and wheat
- (C) Corn, hogs, and bread
- (D) Cattle, cereal, and grain

239. Which of the following is an example of convergence in the finance industry:

- (A) United Federal Bank merges with Provincial Insurance Company.
- (B) Constitution Savings and Loan merges with Adams Community Bank.
- (C) Independence Insurance Company acquires NetAutoInsurance.com.
- (D) Chase Schwartz Financial Consultants acquire Dollar-Wise Financial Services.

240. One advantage of consolidation to financial firms is

- (A) one-stop shopping.
- (B) lower costs.
- (C) fewer technology problems.
- (D) less liquid capital.

241. What tends to happen to financial markets when the unemployment rate increases?

- (A) Investment in commodities increases.
- (B) Investors sell their bonds.
- (C) Investment in collectibles increases.
- (D) Investors sell their stocks.

242. One factor that has stimulated financial globalization is

- (A) higher tariffs on imported goods and services.
- (B) a movement from floating exchange rates to fixed exchange rates.
- (C) government deregulation.
- (D) a decrease in domestic competition.

243. An increase in free-flowing capital is a benefit of

- (A) global protectionism.
- (B) investor innovation.
- (C) financial globalization.
- (D) economic conservatism.

244. Kyle wants to purchase stock in a public corporation. Where can he quickly find current financial information about the corporation's performance?

- (A) The corporation's product catalog
- (B) An employee handbook
- (C) A local newspaper
- (D) The corporation's website

245. Jessica wants to evaluate the rate of return for a particular stock. What component of the stock table should she review?

- (A) Net change
- (B) Volume
- (C) Ticker
- (D) Yield percentage

246. What can a potential investor determine about a stock by analyzing its price range in a 52-week period?

- (A) Divided amount
- (B) Rate of return
- (C) Previous close
- (D) Stock volatility

247. A business's sales may be strong, but that doesn't mean it's making as much money as it would like to. In this situation, managers may analyze financial information to determine how to

- (A) enter into contacts.
- (B) create a budget.
- (C) boost profitability.
- (D) make purchases.

248. Alisha is creating her company's income statement, but she's unsure how she should classify employee salaries, advertising, and utilities. In which of the following income statement categories do these costs fall:

- (A) Revenue
- (B) Cost of goods sold/Cost of sales
- (C) Gross profit
- (D) Operating expenses

249. Which of the following is true of working capital management:

- (A) It deals with accounts payable and receivable.
- (B) It concerns long-term decisions.
- (C) It decides how investments will be financed.
- (D) It determines which projects the business will invest in.

250. Shawn wants to know if his company is staying on budget, so he looks at the difference between the budgeted amount and the amount the company actually spent. Shawn is analyzing a(n)

- (A) variance.
- (B) expense.
- (C) asset.
- (D) sales forecast.

251. To determine if a business is using its resources in the most effective ways, a business relies on accurate

- (A) financial information.
- (B) market demographics.
- (C) production schedules.
- (D) security networks.

252. A well-designed financial-information management system should provide a business with

- (A) ongoing support from external financial institutions.
- (B) a complete audit trail of financial transactions.
- (C) insight about changes in the marketplace.
- (D) a variety of unrelated data.

253. Banks limit their employees' and vendors' access to confidential financial information to

- (A) protect their customers' privacy.
- (B) maintain a safe working environment.
- (C) safeguard cash drawers.
- (D) ensure that collection procedures are followed.

254. What is a benefit to businesses of using a central data repository for financial information?

- (A) Reliance on historical data
- (B) Quick response to complex queries
- (C) Focus on low volumes of data
- (D) Reliance on a single software application

255. To reduce fraud and counterfeiting risks, credit-card issuers are moving to a system that places encrypted chips into customers' credit cards, which require the cardholders (customers) to

- (A) present the seller with photo identification for verification.
- (B) sign receipts to authorize the use of their credit cards.
- (C) provide personal identification numbers to process transactions.
- (D) change the magnetic strips on their credit cards.

256. By using data-mining techniques to sort through customers' financial transactions, businesses can identify trends regarding

- (A) accounting methods.
- (B) purchasing patterns.
- (C) current political issues.
- (D) ongoing outsourcing needs.

257. Which of the following is a data-mining technique that involves scanning computer documents, email messages, and web pages to obtain data for predictive analysis:

- (A) Dashboard
- (B) Text mining
- (C) Accountability matrix
- (D) Query meandering

258. A computer software application that consolidates and manages multiple departmental budgets is beneficial to large businesses that

- (A) use a bottom-up approach to budgeting.
- (B) rely on an external source to facilitate forecasting.
- (C) focus on customer expectations to develop their budgets.
- (D) generate inventory reports on a regular basis.

259. What computer application enables a business to access information from its enterprise resource planning (ERP) software program for use in its budgeting software programs?

- (A) Cross-reference
- (B) Automated data-transfer
- (C) Group
- (D) Data-validation

260. By comparing reports for three consecutive months, Prater Manufacturing has determined that 15% of the company's accounts are 60 days overdue. This financial analysis will provide the company with information about

- (A) cash outflows.
- (B) aging accounts.
- (C) sales volume.
- (D) cost of sales.

261. To determine the bills that are due in the next 10 days and the dollar amount of each bill, a company needs to use a financial analysis application to evaluate its

- (A) dividend payments.
- (B) accounts payable.
- (C) sales revenue.
- (D) credit rating.

262. Jacob wants to view all of the company's records for customers who are located in a specific zip code. When he accesses the company's customer database to obtain the information quickly, he should use the application.

- (A) merge
- (B) filter
- (C) find
- (D) format

263. What process involves organizing the fields and tables in a database to reduce redundancy?

- (A) File preservation
- (B) Data supplementation
- (C) File unification
- (D) Data normalization

264. Which of the following are external users of a business's financial information:

- (A) Investors, managers, and lenders
- (B) Banks, vendors, and investors
- (C) Lenders, managers, and employees
- (D) Vendors, employees, and banks

265. A business that accurately reports its financial position consistently is more likely to

- (A) improve its productivity.
- (B) earn investors' trust.
- (C) be highly innovative.
- (D) solve problems quickly.

266. Which of the following is an activity carried out by the finance function of business:

- (A) Transaction documentation
- (B) Business valuation
- (C) Data collection
- (D) Report generation

267. The accounting function of business so that the finance function of business can .

- (A) sets profitability goals; distribute the business's assets
- (B) determines funding methods; conduct strategic planning
- (C) develops monetary policies; maximize use of retained earnings
- (D) prepares financial reports; make informed investment decisions

268. A disadvantage of the accrual accounting system is that it does not

- (A) provide insight to a business's overall well-being.
- (B) always reflect a business's current cash reserves.
- (C) allow a business to claim expenses as tax deductions.
- (D) allow a business to record transactions as they occur.

269. Financial accounting practices focus on , while managerial accounting practices focus on .

- (A) the use of informal reporting formats; the use of specific reporting formats
- (B) individual departments and functions; the company as a whole
- (C) past activities; present and future activities
- (D) information for internal audiences; information for external audiences

270. What financial ratio does a business use to identify trends about its ability to meet its short-term debt obligations?

- (A) Gross margin
- (B) Liquidity
- (C) Return on assets
- (D) Net profit

271. To identify profitability trends, a business should compare its over a period of time.

- (A) balance sheets
- (B) leverage ratios
- (C) current liabilities
- (D) income statements

272. Before extending credit, businesses should analyze their customers'

- (A) stock purchases.
- (B) debt ratios.
- (C) capital gains.
- (D) technical assets.

273. While analyzing a financial report, Jennifer saw that the company paid 25% more in overtime wages last quarter than it had budgeted. In this situation, Jennifer detected a(n)

- (A) variance.
- (B) adjustment.
- (C) transaction shortage.
- (D) accounting error.

274. What is the first step in the staffing process?

- (A) Interviewing
- (B) Hiring
- (C) Determining need
- (D) Recruiting

275. The first social group a consumer belongs to is his/her

- (A) circle of friends.
- (B) family.
- (C) kindergarten class.
- (D) neighborhood.

276. What is one downside of using online storage for your business records?

- (A) Online storage is too expensive for most business owners.
- (B) Files are difficult to access when you use online storage.
- (C) Online storage is not as safe as keeping hard copies of documents at your office.
- (D) Online storage companies may have problems or go out of business.

277. Dara is using Google to locate information on the Internet about her research report topic. She is using a search

- (A) group.
- (B) machine.
- (C) technology.
- (D) engine.

278. Records that help businesses keep track of their furniture, equipment, land and buildings are _____ records.

- (A) promotional
- (B) payroll
- (C) personal
- (D) asset

279. Von is a very thorough record keeper. He always carefully files his company's bills, receipts, and cancelled checks because he knows that the company has a responsibility to prove the expenses it lists on its tax return. Von's company bears a

- (A) record burden.
- (B) responsibility to prove.
- (C) burden of proof.
- (D) tax return proof.

280. Who is responsible for making sure that a business is a healthy, hazard-free place to work that complies with government regulations?

- (A) Employees
- (B) The employer
- (C) The government
- (D) Local law enforcement

281. One of Boris's coworkers at a deli cut himself on the meat slicer. What should Boris do to help his coworker?

- (A) Allow his emotions to take over.
- (B) Stay as calm as possible.
- (C) Attempt to treat the wound.
- (D) Evacuate the room.

282. Creating a change-management plan includes determining

- (A) who is authorized to amend the project plan.
- (B) deadlines for each deliverable.
- (C) with whom to share the project plan.
- (D) a realistic budget.

283. Which of the following is true of maintaining an inventory of supplies:

- (A) Conducting an inventory of supplies increases the chance of theft.
- (B) All employees should order supplies when they need them.
- (C) Supplies only need to be ordered once per year.
- (D) Using proper, approved inventory processes helps to ensure that you won't run out of supplies.

284. Which of the following is an example of an intangible output:

- (A) Shampoo
- (B) A pizza
- (C) A computer
- (D) Education

285. Sandra wants to make a good impression on her coworkers, so she always showers, brushes and flosses her teeth, and keeps her fingernails clean. Sandra focuses on her

- (A) self-concept.
- (B) body language.
- (C) hygiene.
- (D) relaxation.

286. A computer company creates a new kind of software. Which type of innovation is this?

- (A) Product
- (B) Process
- (C) Positioning
- (D) Paradigm

287. Which of the following statements is true of time management:

- A It requires a significant amount of extra work.
- B It is a matter of common sense and just involves using a calendar.
- C It refers to how people use the 24 hours in their day.
- D It makes it more difficult for you to plan the future.

288. Which of the following is a potential job position within banking services:

- A Public relations specialist
- B Credit analyst
- C Insurance broker
- D Real estate developer

289. Alana's primary responsibilities as an employee of the Independence Insurance Company are analyzing statistics to assess risks and designing insurance policies to minimize the costs associated with those risks. Alana works as a(n)

- A controller.
- B credit analyst.
- C insurance agent.
- D actuary.

290. The primary responsibility of a real-estate appraiser is

- A determining the value of a specific property.
- B processing commercial mortgages.
- C selling residential property.
- D granting approval for loans.

291. Which of the following is a true statement about obtaining a professional certification:

- A The credentialing process may occur through a professional organization.
- B A government board or agency must mandate and oversee the credentialing process.
- C Certification requirements are standard throughout all jurisdictions.
- D It is unnecessary to pursue continuing education after obtaining certification.

292. To obtain her stockbroker license, Jackie needs to

- A take and pass specific exams.
- B submit her credentials to her employer.
- C complete course work in logistics.
- D pay professional development membership fees.

293. Ben is a vice president go State Street Savings and Loan. Which of the following is a group that is most likely to help Ben network with others within his profession:

- (A) Local chamber of commerce
- (B) National Bankers Association
- (C) College alumni group
- (D) Young Professionals Association

294. Madelyn is responsible for selecting Elite Manufacturing Company's new payroll-processing vendor. Madelyn has narrowed down her selection to three vendors and is favoring Pay Day Enterprises, the small company where her brother works. The primary concern with Pay Day is that it has never handled payroll for companies as large as Elite, which presents a business risk to the manufacturing company. This situation illustrates an ethical issue related to

- (A) levels of service.
- (B) financial reporting methodology.
- (C) a conflict of interest.
- (D) the company's structure.

295. Newman Industries places a great deal of pressure on its employees to increase performance and meet goals and deadlines that are extremely difficult to attain. As a result, the nature of Newman's company culture increases its business risk because employees are more likely to behave unethically by

- (A) embezzling funds.
- (B) delegating work.
- (C) taking shortcuts.
- (D) focusing on profitability.

296. Which of the following is a risk-management application that alerts the appropriate personnel when an unauthorized source has tried to access the business's computer network:

- (A) Generic algorithm
- (B) Organic scoreboard
- (C) Automated notification
- (D) Forensic accounting

297. When business in a particular industry carry risks that commerical insurance companies typically do not cover, they often form , to , risk.

- (A) captive insurance companies; transfer
- (B) insurance rating companies; avoid
- (C) insurance brokerage firms; assume
- (D) independent life insurance agenies; minimize

298. The Kramer Pharmaceutical Company lists the possible side effects of its nighttime cold medicine on the bottle's label and exterior packaging. By disclosing this information, the company is reducing risks associated with

- (A) product returns.
- (B) mechanical product defects.
- (C) product recalls.
- (D) inadequate product warnings.

299. Which of the following is a barrier to effective internal risk control:

- (A) The company monitors control efforts continuously.
- (B) Control processes include detailed audit trails.
- (C) Employees understand the need for control.
- (D) Managers override control processes.

300. Because risks are difficult to control, business often to develop strategies that lessen the effects of these risks.

- (A) external; prepare financial statements
- (B) external; conduct environmental scans
- (C) internal; develop feasibility models
- (D) internal; perform competitive analyses

301. Samantha agrees to buy a bicycle from Tony for \$225. This is an example of a(n)

- (A) unilateral contract.
- (B) bilateral contract.
- (C) renegotiated agreement.
- (D) nonverbal agreement.

302. Lucy authorized her accountant, attorney, and life-insurance agent to care for her assets and make decisions regarding her money and property. Her accountant, attorney, and life-insurance agent are her

- (A) relationship experts.
- (B) bookkeepers.
- (C) fiduciaries.
- (D) economists

303. Mary is accused of understating the tax due on her federal tax returns for the last five years. The understatement has nothing to do with a tax shelter. Mary is very concerned that she will be fined or sent to jail if she is convicted of understating her tax. Which of the following statements regarding Mary's situation is true?

- (A) If a Certified Public Accountant prepared Mary's return, she can probably avoid government penalties for the understatement of tax
- (B) Mary is likely to be sent to jail for understating her tax due because she didn't use a federally-approved tax shelter.
- (C) The federal tax-collection agency should recognize the understatement as a tax shelter because Mary is 45 years old.
- (D) Mary should take her brother's advice and store her assets in an offshore bank account.

304. Retirement accounts and real estate are examples of

- (A) intangible assets.
- (B) garnishments.
- (C) tax shelters.
- (D) derivatives.

305. Which of the following groups is most likely to enforce public corporations' compliance with financial reporting standards:

- (A) World Bank representatives
- (B) Local law enforcement officers
- (C) A securities regulatory commission
- (D) The federal judicial system

306. Which of the following quality-management methodologies is often used in the finance industry to sustain regulatory compliance:

- (A) Cost Standards
- (B) Six Sigma
- (C) Strategic planning
- (D) First-in, First-out

307. To better meet compliance requirements, Money Plus Bank needs to improve its processes for calculating and reporting risk-weighted assets. Which of the following is the best course of action for Money Plus Bank to take to improve these processes:

- (A) Encourage customers to utilize the bank's online account system
- (B) Improve the bank's new-employee training program
- (C) Increase cross-functional cooperation among employees
- (D) Switch from manual to automated calculation and reporting methods

308. In general, a governance, risk, and compliance (GRC) software system identifies and measures risk; monitors the risk-management system; routinely checks adherence to company-wide policies; and ensures compliance with

- (A) union demands.
- (B) reporting requirements.
- (C) product standards.
- (D) contingency plans.

309. Jake is researching career trends in the field of accounting. Which of the following sources is most likely to contain the most current, credible information:

- (A) An early edition of the *Managerial Accounting in Practice* textbook
- (B) The federal government's labor and workforce web site
- (C) An online newspaper article written by a well-known compliance expert
- (D) The latest edition of the *Insurance News Monthly* trade publication

310. An individual calls your company and asks to speak with your coworker, Rhonda Hoffman. What should you do if Rhonda is not available to take the call?

- (A) Tell the caller that you would be glad to take his/her order.
- (B) Advise the caller to call again in a few minutes.
- (C) Ask the caller if s/he would like to leave a message.
- (D) Put the caller on hold while you track down Rhonda.

311. Lana wants to include a two-dimensional graphic that shows the groupings and patterns of multiple variables in her business report. Which of the following graphic aids would best illustrate the data:

- (A) Table
- (B) Pie chart
- (C) Timeline
- (D) Scatter chart

312. The human-resources manager sends an e-mail to all employees stating that they will need to park on the street on Tuesday because the maintenance department will be repairing the company's parking lot. This is an example of a(n)

- (A) business proposal.
- (B) projection report.
- (C) informational message.
- (D) formal inquiry.

313. Which of the following is an example of horizontal communication in the workplace:

- (A) An employee provides his/her manager with a status report about the company's new web site.
- (B) A supervisor provides a line worker with feedback about her/his job performance.
- (C) A manager provides a new employee with advice on job advancement within the company.
- (D) An employee sends an e-mail to a coworker about a short-term project.

314. Before you can adapt your communication style to relate to businesspeople from other countries, you must first

- (A) learn to speak the country's language fluently.
- (B) realize that cultural differences exist.
- (C) develop an ethnocentric attitude.
- (D) change your personal values and beliefs.

315. When helping a slow/methodical type of customer, salespeople should

- (A) follow the customer around the store to explain products' benefits.
- (B) show the customer as many options as possible.
- (C) take care not to overwhelm the customer
- (D) press the customer to select one of two options.

316. Anna, the Bank Plus customer relationship manager, recently developed and implemented a new customer relationship strategy across the organization. The strategy emphasizes better understanding of customer needs. Anna also developed a recognition program to reward employees for delivering quality customer service. Which of the following is most likely to be Anna's primary goal in implementing the new strategy:

- (A) Promoting the bank's new products and services
- (B) Publicly recognizing outstanding bank employees
- (C) Developing stronger long-term customer relationships
- (D) Reducing the number of forms new customers must fill out

317. An important aspect of ethical behavior by financial-services providers is ensuring that their clients

- (A) purchase high-risk investments to generate better financial returns.
- (B) understand the potential risks and rewards of different financial products.
- (C) diversify their financial portfolios by investing more than half of their money in hedge funds.
- (D) preplan future investment strategies for unexpected financial bonuses.

318. Beverly, the new office manager, just completed a review of the last two years of accounts receivable data. In doing so, she discovered that there are erroneous duplicate entries totaling \$25,628 in the system. Unfortunately, due to these duplicate entries, collection letters were sent to many customers who had already paid in full—customers who are angry with the company for sending them the letters. What should Beverly do to try to save these customer relationships and ensure that these customers are not bothered in the future?

- A Use funds from the accounts payable account to pay the debt.
- B Complete an accounting software update
- C Contact each customer by phone and apologize
- D Complete a data cleansing of the erroneous entries

319. An accounts payable analyst is using technology to collect and isolate customer records from the disbursing system. The tool can retrieve and organize a massive number of customer records in just a short time. What type of technology is the analyst using?

- A Computer-aided design
- B A CRM database
- C A neural network
- D GPS technology

320. To keep up with social, political, economic, and regulatory changes that affect their business activities, companies should

- A conduct environmental scans.
- B implement internal analyses.
- C plan customer interviews.
- D prepare organizational inspections.

321. Members of the air-traffic controllers' union stopped working to support the pilots' union that recently went on strike. This is an example of a

- A boycott.
- B lockout.
- C sympathetic strike.
- D wildcat strike.

322. A manufacturer has more workers on hand to perform production activities than it does production equipment. What economic principle does this exemplify?

- A Law of minimal utility
- B Law of diminishing returns
- C Economies of scale
- D Economies of scoring.

323. Consumer spending tends to decrease when

- (A) business activities slow.
- (B) interest rates decrease.
- (C) an economic recession ends.
- (D) the inflation rate decline.

324. What condition exists if a nation imports more goods and services than it exports?

- (A) Trade deficit
- (B) Balance of trade
- (C) Trade surplus
- (D) Comparative advantage

325. Which of the following statements is true of a positive attitude:

- (A) It's not very important, but it is nice to have.
- (B) You can achieve one, but it requires work.
- (C) It has little impact on your ability to reach your goals.
- (D) It's something that you are born with.

326. When Cynthia, a credit analyst with Houghton Software, heard rumors of a company layoff, she asked her manager Todd if the rumors were true and if her job was in jeopardy. Although Todd knew that some lay-offs were coming, he told Cynthia not to worry about things. The following week, Cynthia's job was eliminated. In this situation, ethical issues regarding company information occurred because

- (A) Todd was completely honest with Cynthia.
- (B) Cynthia asked irrelevant questions.
- (C) Todd misled Cynthia.
- (D) Cynthia started the rumors.

327. How can you show that you're actively listening in a negotiation?

- (A) Respond emotionally to what the other person says.
- (B) Think about what you'll say next while the other person is speaking.
- (C) Repeat or summarize the other person's statements.
- (D) Keep a positive, open, and objective attitude.

328. Which of the following is an example of a conflict that causes personal motivation or drive:

- (A) High school students compete to sell the most candy in a school fundraiser.
- (B) Kevin has a class and a meeting scheduled for Tuesday afternoon.
- (C) Two coworkers need to use the copy machine at the same time.
- (D) Jane and Amy both want to be in charge of their presentation.

329. What is the advantage to groups that use consensus building to make decisions?

- (A) Group members rarely disagree.
- (B) Agreement is reached very quickly.
- (C) Decision making involves a majority rule.
- (D) All decision makers have equal power.

330. To have successful collaborative partnerships in the workplace, it is important for employees to

- (A) limit communication.
- (B) establish trust.
- (C) avoid conflict.
- (D) support all ideas.

331. When Thomas bought his car from the Reinhart Auto Dealership, he gave the dealership a \$4,000 down payment. Thomas will make a monthly payment of \$365 to the dealership until he has paid off the loan. Thomas bought his car by using _____ credit.

- (A) service
- (B) revolving
- (C) budget
- (D) installment

332. Justine's rich uncle wants to give her \$5,000 towards the purchase of a car. But since Justine doesn't plan to buy the car for at least another year, her uncle told her that she can have the money now, or can wait and give her the money when she actually buys the car. Justine chooses to take the money now and deposit it in her savings account. After all, her deposit will yield 6% interest compounded annually. A year from now, her \$5,000 will be worth \$5,300. What financial concept does this scenario illustrate?

- (A) Capital budgeting
- (B) Dividend reinvestment plan
- (C) Time-value of money
- (D) Accrual accounting

333. You want to be a millionaire by the time you retire. To reach that goal, you put \$2,000 per year in an IRA, starting at age 21. You will earn nine percent interest annually. As a result, you will have \$1,156,517 at age 65. This scenario illustrates the power of

- (A) compound interest.
- (B) finance charges.
- (C) fiscal policy.
- (D) the prime interest rate.

334. State Street Bank sends text messages to its customers when \$100 or more are withdrawn from their bank accounts. The bank sends these notifications to reduce the risks associated with

- (A) money laundering.
- (B) loan fraud.
- (C) identity theft.
- (D) firewall intrusion.

335. When preparing her tax return, Lynnette listed the interest that she paid on her student loan as

- (A) taxable earnings.
- (B) investment income.
- (C) a tax-exempt investment.
- (D) an itemized deduction.

336. Henry is a professional banker. Only certain people - "members" - may save at or borrow money from his deposit-taking financial institution. Henry is most likely to work for a(n)

- (A) CPA firm.
- (B) mortgage company.
- (C) insurance company.
- (D) credit union.

337. Which of the following statements regarding financial institutions is true:

- (A) A financial institution with low value is doing a good job of managing its risk.
- (B) Financial institutions facilitate the flow of money in the economy.
- (C) Financial institutions are controlled by their members.
- (D) The primary role of financial institutions is to regulate saving and investing.

338. Which of the following statements regarding debt and equity markets is correct:

- (A) Common stock, an example of a debt instrument, is traded on the equity market.
- (B) Investors who purchase a company's bonds gain partial ownership of the business.
- (C) If a company suffers financial difficulties, its stockholders are paid before its bondholders.
- (D) Bonds, which are debt instruments, are typically less risky investments than stocks.

339. The New York Stock Exchange is a(n) _____ market.

- (A) spot
- (B) over-the-counter
- (C) commodities
- (D) auction

340. A retail bank and an insurance company, which recently merged together, are moving from two legacy accounting systems to one enterprise planning system for the new, larger organization. This is an example of _____ in the finance industry.

- (A) bancassurance
- (B) increased liquidity
- (C) convergence
- (D) knowledge management

341. What is a common course of action for small banking institutions interested in competing globally and improving their efficiencies, viability, and profitability?

- (A) Consolidating with larger banks
- (B) Rapidly expanding their operations
- (C) Following global regulations more closely
- (D) Dissolving their financial holding companies

342. According to most analysts, the three economic indicators that stock market investors and traders should pay the closest attention to are

- (A) Gross Domestic Product, overhead expenses, and unemployment.
- (B) interest rates, overhead expenses, and inflation.
- (C) Gross Domestic Product, unemployment, and inflation.
- (D) inflation, unemployment, and bonds rates.

343. Which of the following has contributed to financial globalization:

- (A) An increase in restrictions on foreign investment and international trade
- (B) An increase in taxes on international financial transactions
- (C) A reduction in foreigners' access to domestic financial markets
- (D) A movement from fixed exchange rates to floating exchange rates

344. Kendra's financial goal is to build wealth over time by making diversified investments. Which of the following financial services providers is most likely to help Kendra achieve her goal:

- (A) Financial-auditing firm
- (B) Mortgage company
- (C) Investment bank
- (D) Asset-management firm

345. Which financial statement should an investor use to quickly determine a company's "bottom line"?

- (A) Statement of retained earnings
- (B) Cash flow statement
- (C) Balance sheet
- (D) Income statement

346. Which of the following are among the most important resources to access prior to purchasing stock in a company:

- (A) EDGAR and the Statement of Ownership
- (B) ESOP and the company's web site
- (C) EDGAR and the company's web site
- (D) ESOP and the Statement of Ownership

347. The most common headings on a stock table include the 52-week high and low, the stock symbol, the estimated dividend per share, the yield percentage/ rate of return, the volume/sales for the day, the closing price for the day, the net change and the

- (A) price-earnings ratio.
- (B) earnings per share.
- (C) net income.
- (D) stockholder's equity.

348. Geraldo, who is considering whether or not to invest in Coffee Dreams, Inc., is studying information about the company on a stock table. One piece of data that he is interested in reviewing is the difference between the stock's closing price and the previous day's closing price. Geraldo should review the

- (A) ticker symbol.
- (B) net change.
- (C) price-earnings ratio.
- (D) 52-week high and low.

349. Certificates of deposit and municipal bonds are types of

- (A) value stocks.
- (B) ownership securities.
- (C) commodities.
- (D) lending investments.

350. On a balance sheet, a business categorizes its inventory and accounts receivable as

- (A) long-term assets.
- (B) owner's equity.
- (C) current assets.
- (D) current liabilities.

351. Leslie is good friends with Paul, who oversees the Bex Company's central data depository for financial information. Paul recently told Leslie that based on confidential financial data that he saw at work, Bex's profits have dropped by a third this year. Paul also told Leslie that she should sell her shares of Bex stock before the market finds out about the company's financial difficulties, which will surely make Bex's stock price plummet. This situation is an example of

- (A) encryption.
- (B) disparate data.
- (C) stewardship.
- (D) insider trading.

352. Financial-information management is responsible for collection, maintaining, and reporting data about financial transactions. Business managers often use these data to

- (A) forecast financial inflows and outflows.
- (B) determine if liability insurance is needed.
- (C) develop secondary equity markets.
- (D) calculate the level of corporate groupthink.

353. Pamela was dismissed from her job as a financial database administrator because she shared her username and password with a coworker so that he could access a customer database that is typically off-limits to him. Pamela failed to fulfill her responsibilities as a data

- (A) steward.
- (B) auditor.
- (C) sponsor.
- (D) processor.

354. Which of the following statements regarding the security of most financial institutions' data is true:

- (A) Data in transit are more at risk than data at rest or data in process.
- (B) Firewalls completely eliminate all external threats to the data.
- (C) More data attacks come from inside the organizations than outside them.
- (D) Investments in financial-information security have decreased in recent years.

355. Which of the following is a benefit of financial-information management software:

- (A) Improves productivity by replacing automated activities with manual tasks
- (B) Provides users with fast, better access to data from multiple sources
- (C) Lowers compliance costs by eliminating audit trails and economies of scale
- (D) Reduces risk and lowers confidence in the confidentiality and safety of data

356. Every morning, as soon as Lukas gets to the office, he logs onto his computer and uses a data-mining application on his computer home screen to quickly review the company's financial performance. The financial data are typically displayed in charts and tables. Lukas is using a(n)

- (A) dashboard.
- (B) text-mining tool
- (C) artificial neural network.
- (D) decision tree.

357. A business owner is concerned that some of his employees may be using their company credit cards to make personal purchases. Which data mining technique should the owner use to review the employees credit card transactions each month to identify questionable transactions?

- (A) Nearest-neighbor method
- (B) Decision trees
- (C) Artificial neural networks
- (D) Dashboards

358. Tara knows that for her small business to grow, she must increase her cash flow. She's unsure, though, whether she should take out a loan or a line of credit. Which of the following budgeting software tools could Tara use to assess the potential impact of each source of funding on her business:

- (A) Environmental scanning
- (B) Decision trees
- (C) Debt modeling
- (D) Zero-based modeling

359. Which of the following software applications would be best for a small business owner to use to develop his/her annual budget:

- (A) A project-management application
- (B) A database application
- (C) A digital dashboard application
- (D) A spreadsheet application

360. Franco's manager asked him to develop a report that compares their company's fourth-quarter performance with others in its industry. Which financial-analysis software feature should Franco use to generate information for his report?

- (A) Forecasting
- (B) Ratio analysis
- (C) DuPont modeling
- (D) Benchmarking

361. Raul's manager asked him to prepare a database query that would allow him to view lists of invoices generated in specific time periods. At the moment, the manager only needs two lists: one that lists all invoices generated in the last 30 days and another that lists all invoices generated in the last 60 days. The manager will probably ask Raul to mine for similar data in the future-just for different time periods. What type of query could Raul use to mine for this information without having to prepare a new query every time?

- (A) Crosstab query
- (B) Parameter query
- (C) Wildcard query
- (D) Status query

362. One reason why public corporations are required to provide accurate financial reports is because existing and potential shareholders use them to

- (A) ensure captial gains
- (B) compile annual reports
- (C) understand currency exchange rates
- (D) make investment decisions

363. Independent auditors review the accuracy of a public corporation's financial statements to

- (A) test accounting methods.
- (B) verify compliance.
- (C) evaluate risk.
- (D) summarize collection techniques.

364. A primary difference between accounting and finance is that the accounting function focuses on _____, and the finance function focuses on _____.

- (A) prioritizing needs, problem solving
- (B) allocating funds, decision making
- (C) planning activities, resource management
- (D) reporting transactions, financial planning

365. Which of the following is an activity conducted by the finance function of business:

- (A) Tracking business expenditures
- (B) Preparing cash flow statements
- (C) Updating bookkeeping ledgers
- (D) Choosing appropriate investments

366. The managerial accounting system emphasizes

- (A) previous sales transactions.
- (B) the current financial situation
- (C) a future orientation
- (D) ongoing tax obligations

367. A small business records transactions when it receives or spends money. What type of accounting system is the business using?

- (A) Positional
- (B) Accrual
- (C) Cash
- (D) Static

368. Which of the following is a tool that enables financial managers to identify changes or trends production costs by reviewing the same types of data from different periods of time:

- (A) Accounts-receivable summary
- (B) Frequency ratio
- (C) Comparative statements
- (D) Sales-transaction log

369. The Buford Company's ability to pay its short-term debts has improved steadily over the past three years. What financial ratio helped the company identify this trend?

- (A) Asset-turnover
- (B) Qualitative
- (C) Liquidity
- (D) Market-value

370. Businesses consider a customer's income when determining whether to

- (A) accept cash sales.
- (B) offer credit.
- (C) restructure policies.
- (D) charge interest.

371. A bank carefully analyzes a customer's current level of debt before it approves a(n)

- (A) operating proposal.
- (B) service request.
- (C) loan application.
- (D) insurance claim.

372. If a small-business owner wants to identify the customers who owe money to the business, what type of report should s/he review?

- (A) Accounts-payable
- (B) Aging-accounts
- (C) Asset-depreciation
- (D) Asset-allocation

373. While reviewing a financial report, an electronics-store manager noticed that the store tends to sell more laptop computers and notebooks during December, January, June and August than other times of the year. This information can help the store

- (A) measure its long-term liabilities.
- (B) monitor its general operating costs.
- (C) make reliable sales forecasts.
- (D) manage its sales staff effectively.

374. Lily Marshall, a human resources manager with Spartan industries, recently met with employee Barry Endicott. Barry accepted a position with another company and will begin his new job next week. During the meeting, Lily asked Barry what he liked and disliked about his job with Spartan and what the company can do to make working conditions better. What human-resources activity was Lily performing?

- (A) Onboarding tasks
- (B) Exit interview
- (C) Application screening
- (D) Workplace familiarization

375. Which of the following is most likely to have a negative effect on business's customer-satisfaction levels:

- (A) Standing orders ship on time.
- (B) Items are frequently backordered.
- (C) Product quality is consistent.
- (D) Staff has sufficient product knowledge

376. Monique, an office manager, used to organize hard copies of important documents in filing cabinets that took up an entire room. Now, she stores documents on her office computer, where they're easy access and organize. Monique now uses

- (A) Internet telephony.
- (B) a database.
- (C) an expert system
- (D) computer automation.

377. Determine if the following statement is true or false: Groupware software applications often stimulate workplace creativity.

- (A) False. The groupware application only allows users to update numerical data on shared documents.
- (B) True. Groupware streamlines the work effort, so users have more time for social interaction.
- (C) False. The primary focus of groupware is to communicate policies and procedures to users.
- (D) True. Groupware allows users to share and brainstorm ideas that may improve work processes.

378. To house its digital business records, EFG Corporation uses a remote database that employees can access anytime through the Internet. EFG Corporation is using _____ to store its business records.

- (A) cloud computing
- (B) a flash drive
- (C) streaming video
- (D) compact disks

379. Statistical data revealed that Zane Industries sold 32% more of the Model EQ2 desktop photocopier last year after it made changes to increase the photocopier's speed and refine its print quality. In this situation, the statistical findings helped the company determine that

- (A) research and development expenses exceeded the budget.
- (B) its sales forecasts were inaccurate.
- (C) product improvements helped boost sales.
- (D) the company achieved its sales goals.

380. Which of the following actions should a business take to help prevent robberies:

- (A) Have one person open and close each day
- (B) Avoid making eye contact with customers
- (C) Hang up signs on doors and windows
- (D) Make sure the facility is well-lit

381. Successful project management depends on the use of appropriate

- (A) pressure tactics
- (B) outsourcing
- (C) foreign investments
- (D) technology

382. When you want to select a new vendor for your business, its best to

- (A) continue using a vendor you've used before
- (B) go with a friend's recommendation
- (C) use a formal selection process
- (D) pick the vendor with the best online reviews

383. Which of the following factors are most likely to build a quality work culture:

- A Coercion and empowerment
- B Consistency and censorship
- C Vision and unpredictability
- D Respect and honesty

384. Which of the following is an example of a semi-variable business cost:

- A Property taxes
- B Employees' salaries
- C Rent
- D Telephone service

385. All of your friends are coming over for dinner tonight. Instead of asking what they'd like to eat, you decide to order pizza. What style of decision making are you using?

- A Managing
- B Moderate
- C Minimum
- D Maximum

386. Miguel always enjoyed designing and building bookshelves, tables, and storage cabinets for his family and friends in his spare time. Through word-of-mouth, others started to ask Miguel to build items for them. Requests for his services became so great that he decided to open his own woodworking business. Miguel decided to start his own business because of his

- A passion for a hobby
- B desire for a flexible schedule
- C technological knowledge
- D need for adventure

387. Tracy's friend David works for TPS Industries. When Tracy saw a job on the company's web site that interested her, she contacted David to find out if he knew anything about the job. David told Tracy that he previously worked with the hiring manager on several projects and would put in a good word for her. In this situation, Tracy acted on an employment opportunity by

- A volunteering her time
- B networking with others
- C requesting an internship
- D setting up a meeting

388. Lynnette works at Main Street Bank. Her primary job responsibility is to determine if the bank should lend funds to the bank's customers. Lynnette is working as a(n)

- (A) collections officer
- (B) credit analyst
- (C) chartered financial consultant
- (D) bank agent

389. What is a primary responsibility of a company's controller?

- (A) Evaluating property values
- (B) Designing risk policies to minimize business losses
- (C) Calculating the risk of loss
- (D) Directing the preparation of financial reports

390. Many business people are required to take continuing education classes to

- (A) supplement their existing income
- (B) improve their standard of living.
- (C) demonstrate their emotional intelligence
- (D) maintain their professional certifications

391. Annette works for an insurance company. Her primary responsibilities involve establishing premium rates and designing insurance policies to cover risk. Annette is most likely to have certification as a

- (A) Certified Financial Planner (CFP).
- (B) Certified Financial Analyst (CFA).
- (C) Chartered Life Underwriter (CLU).
- (D) Chartered Investment Counselor (CIC).

392. A loan officer who has special knowledge in real-estate loans is most likely to have ____ professional certification.

- (A) Certified Information Systems Auditor (CISA)
- (B) Certified Mortgage Banker (CMB)
- (C) Certified Internal Auditor (CIA)
- (D) Certified Annuities Specialist (CAS)

393. To build a relationship with others working in the same field, a financial planner should consider

- (A) participating in an appropriate professional organization.
- (B) attending the local chamber of commerce meetings.
- (C) taking an entrepreneurship class at the community college.
- (D) sponsoring events for charitable organizations.

394. Because Maggie's primary goal is to get ahead in the company, she often uses questionable tactics to get a sale, which sometimes involves misleading her customers. Maggie's behavior is a risk to her employer because Maggie places more importance on _____ than she does on _____.

- (A) corporate branding, her own productivity
- (B) social responsibility, her career goals
- (C) personal gains, business ethics
- (D) operating procedures, compliance

395. To reduce risks associated with unethical business activities, a company should clearly communicate its

- (A) code of conduct to all employees.
- (B) terms-of-sale policies to executive managers.
- (C) product requirements to its primary distributors.
- (D) dividend payment schedule to suppliers.

396. What technological application do financial businesses use to evaluate how investment portfolios may react to changing conditions in the markets?

- (A) Automated oversight
- (B) Stress testing
- (C) Financial compliance
- (D) Threat detection

397. Lower premiums and the ability to control the claims process are advantages of

- (A) captive insurance companies.
- (B) traditional liability insurance policies.
- (C) standard insurance companies.
- (D) reinsurance carriers.

398. CopyIt Printing Company employs several delivery drivers. Last year, the local police cited two of the company's new drivers for causing accidents that resulted in passenger injuries and vehicular damage. The printing company later discovered that the drivers were cited for numerous traffic violations while employed for other companies. To avoid hiring unsafe drivers in the future, the company should

- (A) conduct background checks on job applicants
- (B) mandate drug testing for all employees on a monthly basis
- (C) require delivery drivers to take a driving exam every six months
- (D) ask job applicants about their former employers during the interview process

399. Which of the following is a limitation that businesses face with their internal risk-control activities:

- (A) Economic conditions
- (B) Market dynamics
- (C) Trade agreements
- (D) Human judgement

400. To control online transactional risks, a business should consider outsourcing its technology needs when it lacks

- (A) external training
- (B) financial resources
- (C) secondary data
- (D) internal expertise